

NORWAY'S PENALTY KICK BEATS BRAZIL



Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

Paris, Wednesday, June 24, 1998

No. 35,865

TODAY: STAGE

Unemployment Jumps to Record In South Korea

Rate Hits 7% as Government Increases Pressure on Insolvent Companies to End Operations

By Don Kirk
International Herald Tribune

SEOUL — With nearly 2,000 people losing jobs every day, South Korea's unemployment rate has soared to a record 7 percent of the work force, or 1.49 million people, the government reported Tuesday.

North Korean submarine sinks in South. Page 6.

assembled a package of nearly \$60 billion in loans to rescue the economy, to 1,492,000 at the end of May, the report said.

The number of people losing jobs is certain to rise sharply as the government pressures insolvent companies to go out of business, get rid of money-losing divisions or merge with competitors. One example is Hyundai Motor Co., which has said it wants to lay off 8,000 of its more than 40,000 workers while reducing production on most assembly lines to one shift a day.

President Kim Dae Jung increased the pressure recently when he ordered the Financial Supervisory Commission and creditor banks to draw up a list of companies that should no longer receive credit. Virtually no major firms were on the final list of 55 companies, but the commission was expected to add more names to the list in the next few weeks.

Analysts said they believed, however, that the government was trying to force small and medium-size companies to bear most of the pressure for fear of confronting strong union pressure at large companies controlled by the chaebol, or conglomerates.

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Boris Yeltsin greeting Sergei Kiriyenko before a cabinet meeting Tuesday on the economic crisis and IMF talks. Mr. Yeltsin said radical measures were needed to shore up state finances.

Yeltsin Sounds Financial Alarm

He Implores Parliament to Adopt New Tax Code Quickly

By David Hoffman
Washington Post Service

MOSCOW — Faced with intensifying pressure on the ruble, President Boris Yeltsin warned Tuesday that the country's finances were in an "alarming" condition and implored Parliament to enact a new tax code in the next few weeks, threatening to impose it by unilateral decree.

Mr. Yeltsin and Prime Minister Sergei Kiriyenko adopted some of the toughest language of recent months in an appearance before government bureaucrats and members of Parliament to unveil yet another plan to shore up Russia's hemorrhaging state finances, which have triggered recent waves of investor panic and flight. Russia has also been buffeted by the Asian financial crisis and the collapse in world oil prices.

Many of the proposals outlined Tuesday were not new, but the tone was apocalyptic. "If the state does not learn to collect taxes," Mr. Kiriyenko said, "it will cease to exist."

Among other things, he said that Russia could get by with only one type of strategic nuclear missile in the future, rather than three. Mr. Yeltsin warned of "dangerous" social tensions over unpaid wages.

Mr. Kiriyenko vowed to crack down on illegal alcohol imports, cancel tax breaks, allow regions to raise their own levies, shift the burden of taxes from industry to consumers, and cut state spending further.

See RUSSIA, Page 4

AIDS Is on Course To Ravage Africa

UN Agency Issues Grim Report: Some Areas Face 25% Infection

By Lawrence K. Altman
New York Times Service

GENEVA — AIDS is hitting Africa so fiercely that it now rivals history's greatest and deadliest epidemics — plague in the Middle Ages and influenza in 1918-1919, United Nations officials said Tuesday.

They also said the AIDS epidemic would worsen before it improved.

The overwhelming majority of the 30 million people infected with HIV, the virus that causes AIDS, are doomed to die because they live in countries that cannot provide adequate health care.

National leaders will have to take tougher stands than they have in the past to institute effective prevention programs, which take many years to get into full gear, the UN officials said.

At a news conference here, UNAIDS officials painted one of the gloomiest pictures of the HIV epidemic since it was first recognized in 1981.

HIV now infects one in four adults in two African countries, Botswana and Zimbabwe. HIV infection rates exceed one-third of the adults in some major African cities and reach 70 percent of women tested in prenatal clinics. Many infected women pass the virus on to their babies.

Countries south of the Sahara account for the world's 21 highest rates of HIV among adults aged 15 to 49, the most sexually active segment of the population. In 13 of the countries, HIV has infected at least 10 percent of adults.

South Africa, Namibia and other countries could soon reach a 25 percent adult infection rate unless national leaders initiate strong prevention programs similar to those in Senegal, Tanzania, Thailand and Uganda, UN officials said.

Worldwide, 5.6 million people were infected last year, while 2.3 million died from AIDS. Of the 30 million people living with HIV, 21 million are in Africa and 90 percent do not know they are infected because testing is not widely

available. Nearly all are doomed to die from AIDS because few can afford basic care, including the costly combinations of drugs that have helped keep the virus in check among HIV-infected people in developed countries.

AIDS is now on the verge of moving into the top five leading causes of death in the world, overtaking diarrheal diseases. AIDS kills as many people as malaria, and is second only to tuberculosis. But tuberculosis is a common complication of AIDS.

The African figures compare to a worldwide adult HIV infection rate of 1 percent for adults. The rate is 0.76 percent in the United States and 0.33 percent in Canada.

The figures come from the first country-by-country analysis of the global AIDS epidemic that UNAIDS released ahead of the 12th international AIDS conference that begins here Sunday. The UNAIDS program is run by several United Nations agencies, the World Health Organization and the World Bank.

Dr. Peter Piot, head of the UNAIDS Program; Bernhard Schwartlander, the UN epidemiologist who led the analysis; and Dr. David Heymann, a WHO official, all said in separate interviews that the new report provides convincing evidence that AIDS rivals the great epidemics of history.

Plague, the Black Death of the Middle Ages, killed 20 million people, or one-quarter of Europe's population, in four years. In 1918-1919, a worldwide influenza epidemic killed 20 million people.

Plague and influenza can kill in days, but death from untreated AIDS can take a decade.

AIDS is a more silent epidemic, Dr. Piot said, because the massive, long-term mortality from AIDS has less of a visible impact on society than the sudden deaths of the plague and influenza type epidemics.

See AIDS, Page 4

Soccer Violence Casts a Cloud Over Germany

By Alan Cowell
New York Times Service

BONN — For most Germans, the World Cup soccer tournament is one of those few occasions when national pride may parade itself unfettered by the Nazi past, a joust of emotions made innocent by sport.

So, when German soccer hooligans and neo-Nazis rioted Sunday in a northern French town, leaving a French policeman near death with serious head injuries, it was as if a very dark cloud had come from nowhere.

Chancellor Helmut Kohl called the violence outside the Germany-Yugoslavia game in Lens "the nation's shame." A senior soccer official wept before television cameras and said he had thought about just going home. "This is the darkest hour of my life," said Egilene Braun, president of the German Soccer Federation.

Some suggested that the entire German squad should pack its bags — an idea partly rejected by Bertie Vogts, the national coach. "This had nothing to do with the team," he said.

Before the tournament started, police in Europe rounded up scores of suspected Islamic militants thought to be planning to disrupt the World Cup. But, said one commentator, Eberhard Seidel-Pieleo, in Berlin, "the peace was less threatened by the Islamists than by the fundamentalism springing from European societies. And this fundamentalism — this is especially relevant for Germany — is invariably stamped with racism and Nazism."

See HOOLIGANS, Page 24



On to Round 2: Chile, Italy, Norway and Brazil

Ivan Zamorano of Chile stopping the ball during a Group B match Tuesday with Cameroon in Nantes. In other action on Tuesday, Italy beat Austria, and Morocco defeated Scotland. Brazil qualified in spite of its loss to Norway, 2-1. Pages 24-25.

Personal Freedom Blossoming in China

As Government Interference Wanes, More Choices Are Open to Citizens

By Seth Faison
New York Times Service

SHANGHAI — At a kitchen table strewn with glossy fashion magazines, Lucy Lu sat with her boyfriend, Tony Yao, and talked about what it is like to live together without being married, an arrangement rarely allowed in China until recently.

"My mother used to bug me about it, but nobody else seems to care," said Ms. Lu, a 26-year-old real estate agent.

"As long as we pay the rent," Mr. Yao cut in, laughing. "A few years ago the landlord here would not let a couple

like us live here, at any price. Today, he just wants to collect the rent."

More than being a symbol of sexual revolution, this young couple is a signal of a growing realm of personal freedom

Beijing makes it clear that Taiwan is key issue of summit. • 3 Radio Free Asia journalists barred. Page 7.

in China, where ordinary people now make choices about travel, work, study and love with less government interference than at any time in the nearly 50 years since the People's Republic was

established. With President Bill Clinton arriving in China on Thursday, critics of the administration's policy of engagement point to the lack of political freedom in a country still governed by the Communist Party, which keeps it a place where political persecution, censorship and a secretive and authoritarian leadership are as entrenched as ever.

Only the public side of life, however, remains so tightly restricted in China. The private side of life here is quite different, as Mr. Clinton would see if he could shed his 1,000-member entourage

See CHINA, Page 4

On Ivory Coast Farms, Echoes of Slavery

By Howard W. French
New York Times Service

BOUAFLE, Ivory Coast — Ibrahim Diarra had no idea what city he was in when he straggled into the courtyard of the elderly man from his native Mali recently.

The man offered Mr. Diarra, 23, and three teenage friends shelter after their escape from a nightmare.

Wet from the rain, exhausted and famished, all he knew was that he had just spent four months working on a plantation somewhere in Ivory Coast in a job that bore a strong resemblance to slavery

and that on this morning, after his second attempt to get away, he was free.

Throughout his bondage, Mr. Diarra said, he was sent out at daybreak each morning, seven days a week, to work fields planted with corn and cotton.

Under the stern gaze of an overseer, he and other workers there had to weed row after row of the crops planted in the dark, rich soil with their simple hoes and carry countless sacks of harvested crops the five kilometers back to the farmhouse. When they were thirsty they had to fetch water from a distant well.

The only break came in the evenings, when they were allowed to return to

their camp for the only meal of the day — invariably a thin corn porridge — and then were locked inside their mud-walled pillbox shelter, where they were kept under guard until sunrise.

"I once told the boss I couldn't do this work anymore," Mr. Diarra said, "and I fled the next day. But they quickly caught me, stripped me naked, tied my hands and made me sit in the open under the sun all day. Some of the others who tried to escape were whipped in front of the rest of us until they bled badly."

See SLAVERY, Page 4

A Telltale Trace of Iraqi Gas

Finding on Warhead Fragments Contradicts Baghdad's Claim

By Jim Hoagland
and Vernon Loeb
Washington Post Service

WASHINGTON — United Nations weapons inspectors have uncovered evidence that Iraq put deadly VX nerve gas into missile warheads before the 1991 Gulf War, contradicting claims by the Iraqi government that it was unable to make a weapon using the volatile nerve agent, according to official documents and diplomatic sources.

The new evidence is contained in a confidential U.S. Army laboratory analysis completed on June 10 of warhead fragments recovered in March by United Nations inspectors from a de-

struction pit at Taji, Iraq. Swabs from the warheads were analyzed for the United Nations at the Aberdeen Proving Ground in Maryland, which reported finding significant amounts of VX disulfide and stabilizer in the samples.

The laboratory results appear to confirm an account by a defecting Iraqi general and suspicious long harbored by technical experts that Iraq succeeded a decade ago in stabilizing and weaponizing VX gas, a few drops of which can kill a human in minutes.

Iraq's ability to add VX to its missile arsenal would significantly expand the lethal capacity of a chemical attack oo

See IRAQ, Page 4

AGENDA

'Basis' for New Inquiry on Machel Death

JOHANNESBURG (Reuters) — South Africa's Truth Commission said Tuesday that it had gathered enough evidence to justify a new official inquiry into the plane crash that killed the Mozambican president, Samora Machel, in 1986.

"There is a basis to reopen the case

into the crash," the panel's chief investigator, Dumisa Nsebebe, said after hearing evidence from Mr. Machel's widow, Graca. "Our investigation gives a suggestion that elements in the South African Defense Force were not involved in the very suspicious events that led to the crash."

Prodi Averts a Crisis

The government of Prime Minister Romano Prodi of Italy averted a crisis Tuesday when it won crucial parliamentary support in favor of enlarging NATO, thanks to the votes of a small centrist opposition party. Page 5.

The Dollar

New York	Tuesday @ 4 P.M.	previous close
DM	1.8018	1.794
Yen	139.35	138.06
FF	6.0395	6.015
Pound	1.6678	1.6735

The Dow

	Tuesday close	percent change
S&P 500	8,828.46	+ 1.35%
Nasdaq	1,119.49	+ 1.46%
	1,844.57	+ 2.14%

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EMERGING MARKETS IN EASTERN EUROPE

Newstand Prices	
Andorra	10.00 FF Lebanon
Ankara	12.50 FF Morocco
Cairo	1.600 CFA Qatar
Egypt	EE 5.50 Réunion
France	10.00 FF Saudi Arabia
Gabon	1.100 CFA Senegal
Italy	2.800 Lira Spain
Ivory Coast	1.250 CFA Tunisia
Jordan	1.250 JD U.A.E.
Kuwait	700 Fils U.S. Mail

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Living in the Rubble / Israeli Authorities Cite Lack of Building Permits

Demolition of Arabs' Houses Increasing

By Joel Greenberg
New York Times Service

KHIRBET KILKES, West Bank — On a sunbaked hill outside Hebron, a Palestinian family lives in a tent beside the rubble of its house, which has been demolished for the third time, after Israeli authorities denied the family a building permit.

Surrounded by broken furniture, smashed household goods and other wreckage, the parents, Zahur and Youssef Atrash, and their 10 children live in sweltering heat without running water or a toilet. They drink water from a tanker truck that serves nearby Palestinian communities. Their water well was demolished along with the house.

"This is what Netanyahu has left us," Mrs. Atrash said, waving toward a roofless floor where upholstered car seats were arranged around an Arah water pipe under the jagged remains of a wrecked ceiling. "We're living like cave men, in a garage dump."

In Jewish settlements that flank the roads to Hebron rows of new stone houses are sprouting on the rocky hills and there is enough water to sprinkle gardens among the red-shingled houses.

But demolitions of Arab houses in the West Bank and East Jerusalem have sharply increased in recent weeks, leaving scores of people homeless because their dwellings lacked building permits. The policy seems to be aimed at consolidating Israel's hold on East Jerusalem and on areas of the West Bank that Prime Minister Benjamin Netanyahu's government seeks to keep.

The State Department spokesman, James Rubin, has called the demolitions a wrong signal at a time when efforts to restart stalled peace talks between Israel and the Palestinians have reached a delicate stage. The Clinton administration is reportedly pressing for a suspension of further demolitions as part of a deal to renew the negotiations.

THE PACE OF destruction has picked up sharply this month, with 23 Arab houses wrecked so far on the grounds that they were built without permits, according to the Israeli group Peace Now, which monitors the demolitions.

The Israeli military government in the West Bank, the Civil Administration, said that it had destroyed 80 illegally built Arab houses this year and that additional hundreds were scheduled for demolition. Last year, 171 were wrecked, according to official figures.

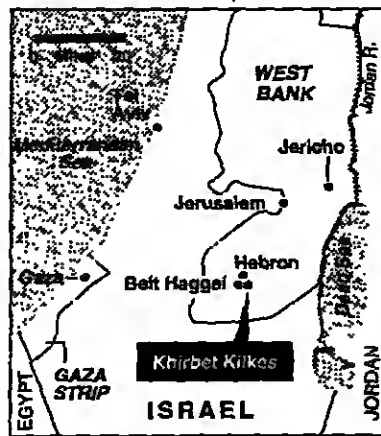
To Mr. and Mrs. Atrash, the flourishing Israeli settlements a few miles from their encampment may as well be on another planet. The construction of a school building in their hamlet was halted by the Civil Administration for lack of a permit. The Atrashes' children walk three miles (five kilometers) to the nearest school.

Their neighbor Abdel Majid Abu Turki was



Rita Casanovi/The New York Times

"All we want is to live in peace and security like they do in Tel Aviv," says Mrs. Atrash, above. "We have the right to breathe the air and drink the water just like Netanyahu and his children, like Israelis and their children."



killed last week as he walked back from his field, clutched on the head from a passing van by Jewish teenagers living in the neighboring settlement of Beit Haggai.

Mr. Abu Turki was walking on a road to the settlement that was paved on his family's land. Now Mr. and Mrs. Atrash are preoccupied with obtaining a permit that will finally enable them to have a roof over their heads. Three times the Atrashes built their house as their family grew, even though their request for a permit was refused. Three times the house was torn down by Israeli bulldozers. Family members resisted the last two demoli-

tions, struggling with Israeli soldiers, who beat and dragged them off.

Worn down by the confrontations, the Atrashes are awaiting for a reply to another request.

"All we want is to live in peace and security like they do in Tel Aviv," Mrs. Atrash said. "We have the right to breathe the air and drink the water just like Netanyahu and his children, like Israelis and their children. It's not asking too much from Netanyahu to give us a permit."

But the battle over the house is part of the broader conflict between Israel and the Palestinians over control of land in the West Bank. Peace efforts are deadlocked over the scope of a further Israeli troop withdrawal that would turn over additional territory to the Palestinian Authority.

THE ATRASHES, who live in a zone under Israeli control, hope that a possible pull-back from their area will enable them to build their house free of restrictions imposed by the military government.

A spokesman for the Civil Administration, Lieutenant Peter Lerner, indicated that the Israelis were trying to curb the spread of Arab construction in areas under Israel's control and those that it would most likely claim in negotiations.

"Any building outside the planning schemes is not an option," Lieutenant Lerner said, adding that the Israeli-controlled zones had to be kept "as open as possible."

Besides, he said, the Atrashes had failed to prove ownership of the land that they had built on and had lost a petition to the Israeli Supreme Court. The area had been designated as agricultural land and the house overlooks the bypass road leading to Beit Haggai.

"If people build there it won't be a bypass road," Lieutenant Lerner said. "This is a court ruling that has to be carried out, like law-enforcement agencies do anywhere else in the world."

The Atrashes assert that they built on land that has been theirs for generations, noting that the house was standing when the Israelis built the bypass and that the structure was far enough from the road to meet regulations.

U.S. Withdraws a Drug, Raising Approval Issue

By Sheryl Gay Stolberg
New York Times Service

WASHINGTON — For the second time in two weeks, the Food and Drug Administration has taken the rare step of pulling a prescription drug off pharmacy shelves, a move that is renewing questions about whether the agency's new emphasis on speeding up drug approvals is allowing unsafe medicines to reach patients.

The drug, Duract, a painkiller manufactured by Wyeth-Ayerst Laboratories of St. Davids, Pennsylvania, has caused a dozen cases of serious liver failure since it went on the market last July, including those of four patients who died and eight who required liver transplants.

All cases involved patients who took the drug for longer than the recommended 10 days.

The agency and the company are advising patients who have been taking Duract for longer than 10 days to stop immediately; patients who are using the medication should consult their doctors.

The announcement Monday was the third time in nine months that the food and drug agency removed a new medicine for safety reasons. On June 8, the high blood pressure medication Posicor was banned because it turned out to be potentially lethal when used in combination with a long list of other drugs. Last September, the diet drug Redux was taken off the market, along with its close cousin, fenfluramine, when both were implicated in heart valve problems.

"This is the worst record we have ever had — it's unprecedented," said Thomas Moore, a senior fellow in health policy at George Washington University Medical Center who studies drug safety. "I believe we are paying the wages of the one-sided debate that we have had in this country that the speed of FDA approval is the only issue."

It is extremely unusual for the FDA, which is widely regarded as the most safety-conscious consumer protection agency in the world, to have to withdraw a drug once it has been approved, including the most recent withdrawals, there have been only six such withdrawals in the past decade, according to Murray Lumpkin, deputy director of the agency's Center for Drug Evaluation and Research.

In recent years, however, the agency has been under intense pressure from congressional Republicans to speed up its drug approval process, and it has given its imprimatur to a record number of new drugs, 92, over the past two years. That fast-track approval process has been financed in large part by the pharmaceutical industry, which gave the FDA \$327 million in user fees between 1992 and 1997. The money was used to hire 600 employees to review drug applications.

Proponents of the fast-track system argue that it is necessary to bring life-saving therapies to patients who desperately need them.

However, Mr. Lumpkin estimates that only 20 percent of the new medicines approved fall into the category of breakthrough drugs. The rest, including Duract and Posicor, are what is known as "me-too drugs," medicines that treat disorders for which there are already plenty of approved therapies, leaving critics to wonder why they are allowed on the market in the first place.

"The agency has been put under too much pressure to approve more drugs faster, whether they are needed or not," said Larry Sasich, a pharmacist for Public Citizen's Health Research Group, a Washington advocacy organization. "This is the price that the American public is paying for believing that the

FDA was keeping life-saving medicines out of the hands of the American public, which is simply not true."

Mr. Lumpkin, however, defended the agency, saying the review of Duract took nearly three years and was extremely thorough. Although the agency was aware of the potential for liver problems with long-term use, he said, it made a calculated decision to approve the drug for short-term use, no more than 10 days, because the benefits outweighed the risks.

"This was not a rushed decision by any means," Mr. Lumpkin said, adding that the agency still believes the drug is safe and effective when used for fewer than 10 days.

Backing for Tuberculosis Drug

The Food and Drug Administration has approved the first new tuberculosis drug in 25 years. The Associated Press reported from Washington.

The FDA said Tuesday that it had approved rifapentine, which is marketed under the name Priftin by Marion Merrell Dow of Kansas City, Missouri. The United States is the first country to approve the drug.

Florida Court Voids a Verdict Against Tobacco

By Barry Meier
New York Times Service

NEW YORK — A Florida appeals court has struck down a \$750,000 jury verdict against the Brown & Williamson Tobacco Corp., ruling that the lawsuit, one of the few a cigarette maker has ever lost to a smoker, was filed six days too late.

The 1996 verdict was only one of two verdicts outstanding against cigarette makers. This month a Florida jury ordered Brown & Williamson to pay \$1 million, including \$500,000 in punitive damages, to the family of a deceased smoker.

But on Monday, a three-judge panel of the state Court of Appeals for the 1st Circuit found that the statute of limitations in the 1996 case had expired because the smoker, Grady Carter, had waited too long to file his lawsuit. He filed the suit in 1995, after discovering that he had lung disease in 1991.

Mr. Carter expressed disappointment over the ruling but said he was not surprised. "It is hard to beat the tobacco companies," he said.

Experts on tobacco litigation said that while they had not reviewed the decision, it appeared largely limited to the specifics of Mr. Carter's case.

Still, Mary Aronson, the president of Aronson Washington Research, which advises institutional investors on legal trends, said the ruling was an emotional setback for plaintiffs' lawyers in smoking cases, after the optimism following the \$1 million verdict last week.

"I think this throws a damp rag on the euphoria some plaintiffs' lawyers were feeling," she said.

Robert Rahin, a law professor at Stanford University, said that the decision Monday demonstrated that while the public perceives that tobacco cases are decided on issues like possible corporate misrepresentation, they often are won by tobacco companies that hire top defense lawyers who exploit legal issues like statutes of limitations on appeal.

Israel Assures U.S. on Jerusalem Plan

By Philip Shenon
New York Times Service

WASHINGTON — Israel has provided assurances that a proposed major expansion of the city limits of Jerusalem will not extend the city's authority into the West Bank, according to the State Department.

State Department officials remained critical of the proposal Monday but tempered their earlier statements.

"The prime minister told us that this decision is not an effort to expand the municipal authority of the city into areas that extend beyond the Green Line," said James Rubin, the State Department spokesman, referring to the border that existed between Israel and the West Bank before Israel's victory in the 1967 war.

"We appreciate that clarification," he said. "At the same time, this is a very complicated matter. And we are not certain about what impact Israel's decisions may have in the future."

He added, "At a time when we are trying to break a prolonged impasse in the Israeli-Palestinian negotiations, the last thing we need from either party are statements or actions that raise suspicions."

On Sunday, the Israeli cabinet approved a plan to expand the city of Jerusalem's control far beyond its current borders, despite protests from Palestinians and a warning from the State Department that the plan was "provocative."

Prime Minister Benjamin Netanyahu has insisted that the plan has no political ramifications and was not a violation of the Israeli-Palestinian peace accords, under which the final status of Jerusalem is to be negotiated.

But there was a general presumption among Israelis and Palestinians that the real goal was to strengthen Israel's hold on Jerusalem and to bolster its links to settlements to the east.

The Palestinians, who have called for the creation of a Palestinian state with Jerusalem as capital, have denounced the expansion plan.

American officials involved in the Israeli-Palestinian talks said it was difficult for them to make specific criticisms of the expansion proposal since the Israelis have yet to work out many details of the plan. The cabinet is expected to debate the plan again this fall.

"We're trying to clarify the plan," an American official said. "One of our main problems now is the timing. Why do this now?"

TRAVEL UPDATE

New Trains to Heathrow

LONDON (AP) — High-speed trains began carrying passengers between central London and Heathrow Airport on Tuesday, offering an alternative to congested highways and slow-moving Underground trains.

"It's a stunning service," Prime Minister Tony Blair said as he officially opened the 16-mile (27-kilometer) Heathrow Express service, which cost £450 million (\$720 million) to construct.

It offers trains every 15 minutes between Heathrow and Paddington station. The journey lasts 15 minutes.

Travel restrictions to Lebanon have been eased, the U.S. Embassy in Beirut said. American airlines can now link up with other airlines that fly to Lebanon to provide travelers smooth connections from the United States. (AP)

Three major transport unions have called a 24-hour strike for ground staff at Linate and Malpensa airports in Milan for Friday. (Reuters)

Bangladesh inaugurated the world's 11th-longest bridge over the Jamuna River, saying the five-kilometer bridge marked the beginning of a new era of economic development. (Reuters)

A study by NASA suggested revising pilot rules and improving schedules to keep airline pilots from falling asleep. It also urged better lighting in the cabin, more social interaction and less airplane automation. (AP)

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WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Europe

City	Today	Tomorrow	High	Low	High	Low
Amsterdam	20/22	18/24	20	18	20	18
London	18/22	16/20	18	16	18	16
Paris	18/22	16/20	18	16	18	16
Rome	18/22	16/20	18	16	18	16
Madrid	18/22	16/20	18	16	18	16
Barcelona	18/22	16/20	18	16	18	16
Stockholm	18/22	16/20	18	16	18	16
Helsinki	18/22	16/20	18	16	18	16
Tallinn	18/22	16/20	18	16	18	16
Riga	18/22	16/20	18	16	18	16
Vilnius	18/22	16/20	18	16	18	16
Kyiv	18/22	16/20	18	16	18	16
Moscow	18/22	16/20	18	16	18	16
St. Petersburg	18/22	16/20	18	16	18	16
Warsaw	18/22	16/20	18	16	18	16
Berlin	18/22	16/20	18	16	18	16
Frankfurt	18/22	16/20	18	16	18	16
Munich	18/22	16/20	18	16	18	16
Zurich	18/22	16/20	18	16	18	16
Geneva	18/22	16/20	18	16	18	16
Brussels	18/22	16/20	18	16	18	16
Amsterdam	18/22	16/20	18	16	18	16

City	Today	Tomorrow	High	Low	High	Low
London	18/22	16/20	18	16	18	16
Paris	18/22	16/20	18	16	18	16
Rome	18/22	16/20	18	16	18	16
Madrid	18/22	16/20	18	16	18	16
Barcelona	18/22	16/20	18	16	18	16
Stockholm	18/22	16/20	18	16	18	16
Helsinki	18/22	16/20	18	16	18	16
Tallinn	18/22	16/20	18	16	18	16
Riga	18/22	16/20	18	16	18	16
Vilnius	18/22	16/20	18	16	18	16
Kyiv	18/22	16/20	18	16	18	16
Moscow	18/22	16/20	18	16	18	16
St. Petersburg	18/22	16/20	18	16	18	16
Warsaw	18/22	16/20	18	16	18	16
Berlin	18/22	16/20	18	16	18	16
Frankfurt	18/22	16/20	18	16	18	16
Munich	18/22	16/20	18	16	18	16
Zurich	18/22	16/20	18	16	18	16
Geneva	18/22	16/20	18	16	18	16
Brussels	18/22	16/20	18	16	18	16
Amsterdam	18/22	16/20	18	16	18	16

Asia

City	Today	Tomorrow	High	Low	High	Low
Almaty	20/22	18/24	20	18	20	18
Bangkok	20/22	18/24	20	18	20	18
Beijing	20/22	18/24	20	18	20	18
Bombay	20/22	18/24	20	18	20	18
Calcutta	20/22	18/24	20	18	20	18
Chengdu	20/22	18/24	20	18	20	18
Colombo	20/22	18/24	20	18	20	18
Hong Kong	20/22	18/24	20	18	20	18
Kobe	20/22	18/24	20	18	20	18
Manila	20/22	18/24	20	18	20	18
Mumbai	20/22	18/24	20	18	20	18
Osaka	20/22	18/24	20	18	20	18
Seoul	20/22	18/24	20	18	20	18
Shanghai	20/22	18/24	20	18	20	18
Singapore	20/22	18/24	20	18	20	18
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THE AMERICAS

Lewinsky Defuses A Privacy Dispute

She Will Tell Starr of Book Buys

By David Streitfeld
Washington Post Staff Writer

WASHINGTON — Monica Lewinsky has agreed to provide Kenneth Starr, the independent counsel, with information about her book purchases, resolving a First Amendment dispute between Mr. Starr and the bookstore Kramerbooks.

"We've accomplished what we set out to do, which is protect the rights of privacy of our customers," said Bill Kramer, co-owner of the popular store and cafe.

Ms. Lewinsky, the former White House intern who is the central figure in Mr. Starr's investigation of President Bill Clinton, has previously made cooperative gestures toward Mr. Starr, including allowing her apartment to be searched and providing handwriting samples.

In late March, Mr. Starr subpoenaed Kramerbooks and the Georgetown outlet of the Barnes & Noble chain, asking for details about at least 16 purchases made by Ms. Lewinsky. The former intern reportedly told Linda Tripp, her one-time friend, that she gave Mr. Clinton the phone-sex novel "Vox," and Mr. Starr's team was seeking to corroborate that statement.

On April 6, a lawyer for Ms. Lewinsky, Nathaniel Speights, told Judge Norma Holloway Johnson of U.S. District Court that his client would be willing to give the information to Mr. Starr.

"In March, April, May, it was crystal clear that Lewinsky's position was the same: She was willing to give the information," said a lawyer for Kramerbooks, Carol O'Riordan.

"And it was crystal clear to my co-counsel and myself," she added, that Mr. Starr "was refusing to go and ask for it."

Judge Johnson ruled in early April that Mr. Starr had to show a "compelling need" for the information before he violated the First Amendment rights of Ms. Lewinsky and the bookstores. This led to the Barnes & Noble subpoena being dropped and the Kramerbooks subpoena being narrowed.

Mr. Kramer had been planning an appeal when the deal was worked out Monday. "This agreement allows us to avoid the time and expense of the appeal," he said.

Kramerbooks' challenge to Mr. Starr drew support from a wide range of retailers, publishing and free speech sources. On Monday, those groups pronounced themselves pleased with the case's resolution.

"From the beginning we believed the subpoena was an example of gross prosecutorial overreaching that seriously threatened core First Amendment values," said Louis Bogard of the American Civil Liberties Union.

"We've established an important precedent that will stop prosecutors from fishing around in bookstore records just because they want to," said Chris Finan, president of the American Booksellers Foundation for Free Expression.

AMERICAN TOPICS

The Oyster Was the River Rats' World

For 13 years, Dan Davies has spent much of his time in the silt-choked waters of the upper Mississippi River. As "river rats" like him have done for decades, he dives from a flat-bottomed boat and, fed oxygen through a hose, spends hours in the inky blackness below, filling net sacks with clams. But Mr. Davies, 38, is one of a dying breed: reports the Los Angeles Times.

Five years ago, Mr. Davies had hundreds of competitors. They gathered tons of shells for export to Japan, where they are ground up and used to irritate the innards of Akoya oysters, producing cultured pearls. But environmentalists feared the clamming was seriously depleting the prized Washboard clams. Regulators in Wisconsin, Illinois and Missouri have ordered a halt to shell harvesting.

The clamming industry already suffered a devastating blow when a virus killed more than half of Japan's underwater oyster beds and demand for clams plummeted. The industry says there are plenty of Washboards left — perhaps 550 million in the upper Mississippi — and that the real endangered species is the clammer.

Short Takes

Graduates of foreign medical schools make up about a fifth of the medical residents in the United States and their numbers have been rising: 26,763 in 1996, compared with 11,556 in 1988, according to the Council on Graduate Medical Education. With a physician glut predicted, there have been calls to limit their special visas.

But foreign-trained physicians are far more likely than American-trained doctors to work in underserved rural areas that often are desperate for such help. The number of foreign-trained physicians seeking visa waivers to work in such areas increased from 70 in 1990 to 1,300 in 1995.

The last of three oak trees around which the architect Frank Lloyd Wright built his famed Taliesin home has been toppled during a fierce thunderstorm, damaging the house, which is part of a 600-acre (240-hectare) complex west of Madison, Wisconsin.

Work crews have cut away the 225-year-old white oak, which left a hole in the drafting studio. The low-slung home, built in 1911, is considered one of the nation's most important architectural works. Mr. Wright died in 1959.

Some unwitting hikers along the Appalachian Trail saw a little more wildlife on Sunday than they expected. That was the first day of summer, a day that has also become a clandestine holiday: Nude Hiking Day.

It was not clear how many happy hikers went natural on the Appalachian Trail, which winds over 2,158 mountainous miles (3,473 kilometers). They faced possible arrest by rangers for indecent exposure. And one young Baltimore woman told an Associated Press reporter that while she and some other hikers would be happy to bare themselves to the sunshine and chipmunks, they had to draw a line. "The thought of coming across a troop of Boy Scouts," she said, "kind of takes the fun out of it."

Brian Knowlton

Away From Politics

Three Albanian soldiers were still unaccounted for Tuesday after they and 11 comrades walked away last week from NATO-sponsored training exercises at the Marine Corps base in Camp Lejeune, North Carolina. (AP)

Officials evacuated 37 inmates from a Florida prison and made plans to move another 400 as more than 100 brush fires continued to scorch the state. (Reuters)

He looked like the guard from the armored car company, right down to his holster and uniform. So the manager of the bed-and-bath supplies store in Troy, Michigan, handed over the day's cash. The police did not disclose how much money was stolen. (AP)

The Justice Department will seek the quick deportation of an 80-year-old man who served in a Nazi-backed unit that killed thousands of Jews and others in Byelorussia and Lithuania during World War II. Last week, a federal court of appeals affirmed a decision to denaturalize Kazys Ciurinskas, who emigrated from Germany in 1949. (Reuters)



Kenneth Starr arriving at court on Tuesday, a day after the agreement on Ms. Lewinsky's book purchases.

Thanks to Clinton, Party Pays Its Debts

Backlash Against Starr Also Spurs Fund-Raising by Democrats

Los Angeles Times Service

WASHINGTON — Muscular fund-raising efforts led by President Bill Clinton have all but erased the Democratic National Committee's \$15 million debt.

Enveloped by a campaign-funding scandal, just nine months ago the committee had to return \$3 million in questionable donations from Chinese and other foreign and domestic sources and pay big legal fees from resulting investigations. Now, thanks in part to a backlash against Kenneth Starr, the Whitewater independent counsel, the picture has changed.

All but "a manageable" portion of the debt has been repaid and contributions are coming in at a record pace. There is no guarantee that a newly moneyed party will claim victory at the

polls but political analysts believe that the Democrats will be at least competitive in the fall elections. And, the experts say, the Democrats may have a solid chance of helping their candidates retake the House, where a swing of a dozen seats could make the difference.

Committee officials credit Mr. Clinton's breakneck fund-raising schedule — and, paradoxically, the legal offensive against him by Mr. Starr and other conservative critics — for the turnaround.

Since January, Mr. Clinton has traveled to at least 11 cities, holding at least 20 fund-raising events for the committee. According to a preliminary analysis, these events raised at least \$12.5 million for the party. Mr. Clinton also attended at least 40 big-ticket fund-raisers for candidates over that period, raising

more than \$25 million. During one week-end in May, he attended six events in three major metropolitan areas.

Vice President Al Gore and Hillary Rodham Clinton also have done their part.

But the committee's revival is not limited to high rollers attending glamorous meet-and-greets.

Ever since Mr. Starr broadened his Whitewater investigation to include allegations that Mr. Clinton had sex with Monica Lewinsky, a former White House intern, and urged her to lie about it, the committee's direct mail appeals have hit pay dirt.

In the first three months of the year, 162,000 people sent checks, three times more contributors than in the first three months of 1994, during the last midterm political cycle.

From 'Stool Pigeon' to President-Elect

Colombia's New Leader Vows to Broaden Relations With United States

By Diana Jean Schemo
New York Times Service

BOGOTA, Colombia — Four years ago, Andres Pastrana could not walk into a movie theater here without facing a torrent of insults, the most frequent of which was "stool pigeon."

Mr. Pastrana was hounded by the wrath of fellow Colombians after he lost the previous presidential race to Ernesto Samper, then released recordings of Mr. Samper's campaign officials soliciting contributions from drug lords.

In the interim, Mr. Pastrana found work consulting for the United Nations and managed to stay out of the country for most of the next few years.

On Sunday, though, Mr. Pastrana savored sweet vindication as millions of Colombians who quietly supported his whistle-blowing elected him to succeed Mr. Samper, rejecting Horacio Serpa, the president's ally.

Mr. Pastrana appeared surprised Monday to have won the presidency by a firm margin, in an election with a record voter turnout. If on Sunday he looked shrunk and somehow prematurely defeated, Mr. Pastrana seemed on Monday like a man just getting the hang of sitting in a much bigger chair.

Mr. Pastrana said that he expected relations between the United States and Colombia would change. He said Colombia now has a president "with

legitimacy and authority," and he pledged to broaden relations with the United States.

"The agenda with the United States cannot be solely narcotics," he said in remarks Monday to the foreign press.

Asked if he could see "saying 'oo' to the United States for anything," Mr. Pastrana replied, "Maybe for a lot of things."

Asked if he could see saying 'no' to the United States for anything, President Andres Pastrana replied, 'Maybe for a lot of things.'

After campaigning on a platform of ending more than three decades of civil violence, Mr. Pastrana called the start of peace talks with leftist rebels "the first responsibility of the next president of Colombia."

He promised to make contact with the leaders of the Revolutionary Armed Forces of Colombia — Latin America's oldest rebel group and the largest insurgent group in Colombia — in the next few days, and he invited Washington to play a role in the negotiations.

Mr. Pastrana said he believed that the rebels would support the elimination of coca growing in areas they dominate, and he called for an international "Marshall Plan" to help eliminate drug crops and develop other ways for coca farmers

to earn a living. He also said he would review agricultural policies.

The new president's future will to some extent depend on forces beyond his control. While the rebels have said they want to begin talks, successful negotiations will require a willingness to make concessions on all sides.

"It doesn't depend solely on him," said Carlos Franco, a former rebel of the April 19 Movement, known as M-19.

"If the conditions exist, if the political class is ready to accept the kinds of changes the guerrilla wants to discuss, all of that will influence the chances for peace."

U.S. Welcomes New President

The State Department enthusiastically welcomed Colombia's election of a new president. The Associated Press reported from Washington.

A spokesman declared "a new page" in relations that had previously been strained under a president Washington viewed as tainted. He said Washington looked forward to better cooperation in the battle against drug trafficking.

For the last two years, Colombia has failed to be certified as meeting U.S. drug cooperation standards, but President Bill Clinton has waived sanctions.

Jafar Sharif-Emami, Shah's Aide, Dies

New York Times Service

NEW YORK — Jafar Sharif-Emami, the last of Shah Mohammed Reza Pahlavi's prime ministers to make a political attempt to counter the Islamic fundamentalism sweeping Iran 20 years ago, died June 16 at New York Hospital. He was 87.

Mr. Sharif-Emami, one of the shah's close confidants, held many high government and legislative positions. He was prime minister twice, first in 1960-61 and in 1978, in a belated attempt to stem the Shiite revolution through political and social changes.

Through Mr. Sharif-Emami, the shah legalized political parties and set elections for mid-1979. The prime minister began a campaign against corruption, released half of all political prisoners, ended press censorship except for reports that criticized the shah and the army, and moved

to redirect the drive toward modernization so as not to offend Islamic sensitivities.

The changes met some of the important demands posed by dissidents for many years. But the efforts failed to defuse the growing crisis, as civil servants and industrial workers joined the opposition and crippled public services and vital industries.

After little more than two months in office, in November 1978, Mr. Sharif-Emami handed his resignation to the shah, who then tried a military approach with Gholam Reza Azhari, his final prime

minister, as the nation erupted in revolt. Mr. Sharif-Emami escaped to New York.

Leandro, Brazil Singer

RIO DE JANEIRO (Reuters) — Jose Luiz Costa, 36, a Brazilian country singer known by his millions of fans as Leandro, died Tuesday of cancer. The singer, one of a

doo with his brother Leonardo, had been fighting a thorax tumor in a very public battle at a hospital in Sao Paulo for days.

Jacob Katz, 93, an internationally known authority on the history of the Jewish people, died May 20 in Hadassah Hospital in Jerusalem.

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POLITICAL NOTES

Medicare Users Get Protection

WASHINGTON — The Clinton administration has ordered sweeping protections for Medicare beneficiaries, requiring health plans to guarantee access to specialists, to keep medical records confidential and to provide interpreters when needed.

The new rules, which add muscle to a 1997 law, are stricter than the standards governing commercial health insurance in many states.

The rules go beyond the 1997 law in some ways, establishing additional protections for women, for people with serious illnesses and for patients who cannot read or speak English. The rules apply to all Medicare services, but include special provisions for managed care plans.

The administration said the rules herald "the most significant change in the Medicare program since its inception in 1965." Included are provisions that would ban health plans from discouraging sick people from enrolling and discriminating against Medicare beneficiaries by limiting or denying coverage because of physical or mental illness, genetic information, disability or prior use of medical care.

(NYT)

Forecast Dims Tax-Cut Hopes

WASHINGTON — The Congressional Budget Office is drafting an economic forecast showing that the federal budget surplus will be slightly larger than previously projected in the coming years — further good news for the government's balance sheet, but a serious setback for congressional Republicans hoping for a major tax cut.

The forecasts, due to be released next month, will fall far short of the "July surprise" that House Speaker Newt Gingrich, Republican of Georgia, and other Republican leaders were counting on to help underwrite an election-year tax-relief package. Mr. Gingrich and other members of his party have been stumped by how to pay for as much as \$100 billion of tax cuts over five years without cutting programs of important political constituents.

The controversy over the anticipated forecasts underscores the make-or-buy influence that the Congressional Budget Office — Congress's chief budget scorekeeper and analytical arm — sometimes exerts over the legislative process.

It also suggests the tenuous nature of the Republicans' large tax-cut proposal.

The House leaders have tried to pressure the budget office to revamp its forecasting policies to produce much rosier surplus estimates of as much as \$100 billion to \$300 billion a year through early in the coming century.

"The surplus is going to be bigger," Mr. Gingrich said.

"I don't think anybody doubts that."

But the latest thinking of the budget office and prominent economists suggests little change in this year's forecast. (WP)

Quote/Unquote

Tom Daschle, Democrat of South Dakota, the Senate minority leader, as Senate Democrats shut down debate on a defense bill as a way of blocking anti-administration votes on China policy on the eve of the president's departure for China: "I'm not going to allow one single vote on China this week. We're not going to embarrass this president." (AP)

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INTERNATIONAL

SLAVERY:
Ivory Coast Accused

Continued from Page 1

Mr. Diarra and his three friends, also from Mali, constitute merely the tip of an iceberg of thousands of coerced migrant laborers, many of them children, in this overwhelmingly agricultural country. As escapees who found someone from their homeland instead of being snared in the web of overseers, bounty hunters and informers, they count among the luckiest ones.

Their is a tale as old as the ages in an Africa of abundant, hard-to-work land and sparse labor — seemingly immutable realities that fed an indigenous slave trade long before the arrival of the first Europeans. But it is also a nearly universal phenomenon and has been seen from the sugar estates of the Florida Everglades to the Dominican Republic to the cotton-bearing loam of the Mississippi Delta.

The ruses that are used to lure and retain the workers from desperately poor hinterlands of neighboring countries like Mali and Burkina Faso are just as tried and true.

Like thousands of other Malians, Mr. Diarra said he was recruited to do farm work in Ivory Coast by an unscrupulous countryman back home who promised him \$250 for a year's work — a fortune for many Malians — and room and board on a plantation.

He was transported across the border by truck at night. He realized he had been duped when he reached the northern Ivorian town of Korhogo and overheard a negotiation between the transporter and a plantation owner in which he and his fellow travelers were effectively sold for the equivalent of about \$30 each.

"As soon as we reached the plantation, we were locked up and placed under guard," Mr. Diarra said. "We knew right away that it was a trap."

Ivory Coast's independence movement gained momentum in the 1940s and 1950s as a reaction against the forced labor imposed by French colonialists bent on building a cash-crop economy based on cocoa and coffee here.



In a village near Bouafle, Ivory Coast, a youth from Mali who had been forced to work on a corn plantation.

But today, the wealth of this country, the most prosperous in West Africa, rests to a large extent on the backs of poorly paid immigrants whose labor has helped make Ivory Coast an agricultural giant.

"I've found plantations here where the owners keep 45 children locked in a single room from dusk till dawn, with the only provision for a toilet being a hole in the wall," said Fassirima Dembele, the Malian consul to Ivory Coast.

His recent work traveling to towns like Bouafle in the central Ivorian countryside has brought public attention to the plight of migrant workers from his country. The embassy will help Mr. Diarra go home.

"We have 2 million Malians living in Ivory Coast," he said, "working in every sector of the economy, including tens of thousands of farm workers. The government cannot afford to admit the

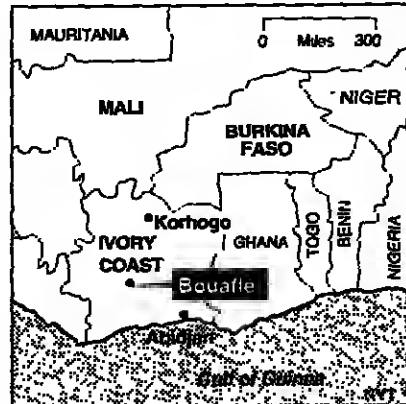
extent of the problem, so they close their eyes. If all of these workers went home, they could no longer produce crops here."

An official of the Ivory Coast Ministry of Social Protection, Mama Fofana Kooe, said her government had learned of the plight of Malian migrant workers only from recent press reports and had begun an investigation.

"With these kind of charges, we must verify the information ourselves," she said. "Until then we cannot make any declarations."

From the vantage point of Mr. Dembele, no better place to begin an inquiry exists than in his office, where a dozen or more ragged plantation escapees, most of them children, arrive almost every day seeking shelter or help in returning home.

"I made a bad mistake in coming here," said Souleymane Konate, a shy 12-year-old laborer who had just



reached Mr. Dembele's office at the Malian Embassy. "But my parents couldn't clothe me anymore, and there was nowhere to go to school in our village. I had no choice but to look for work."

AIDS: Africa Struggles With an Epidemic

Continued from Page 1

"If HIV killed as rapidly as plague and influenza, the epidemic would be controlled by now," Dr. Piot said.

But the AIDS epidemic, Dr. Schwarlander said, "has no end in sight."

Dr. Piot, a Belgian who has worked with AIDS in Third World countries for more than 15 years, called the new HIV figures staggering. He said he was "shocked" when he learned that 25 percent of an entire country's adults were infected.

At that time, both Dr. Piot and Dr. Schwarlander said they questioned a statistical error. But checks found the statistics to be accurate, erring on the side of underestimates, the doctors said.

It took the UNAIDS program more than a year to gather and verify the figures with each country, and its figures on AIDS are considered the most reliable of any international health statistics. Health officials have long been hampered in getting a handle on such information by the notoriously poor quality of health statistics in most of the world.

The report also includes the first country-by-country information about availability and use of condoms and reported irregular sexual partnerships.

The UN report cites successes in Senegal, Tanzania, Thailand and Uganda as evidence that strong prevention programs could reverse the HIV epidemic.

Uganda was the first country to respond to a huge burden of HIV infection, and cut HIV prevalence to 9.5 percent in 1997 from 13 percent in 1994.

Thailand, which has experienced what the UN said was probably the best-documented epidemic in the developing world, cut its prevalence to 2.3 percent in 1997 from 2.7 percent in 1994. A drop in new infections was noted especially among sex-trade workers and their clients.

"Even in the industrialized world, reductions of this magnitude are virtually unheard of," Dr. Piot said.

Senegal instituted campaigns for safer sex that have kept its rate of HIV prevalence low at about 2 percent. "Sen-

egal acted before it had a major problem, but there are not enough of those countries," Dr. Piot said.

Marching such efforts elsewhere will take more than money, Dr. Piot said. "The overriding need is political courage — deciding to move ahead with effective approaches despite cultural constraints, such as promotion of condom use, sex education in schools and widespread health education programs," he said.

Last year, deaths from AIDS left 1.6 million children without at least one parent. From 1981 to the beginning of 1998, 8.2 million children lost their mothers to AIDS.

In East Africa, 40 percent of children aged 15 or younger have lost their mother or both parents.

"As the number of orphans grows and the number of potential caregivers shrinks," the UN report said, "traditional coping mechanisms stretch to the breaking point."

The UNAIDS program cited four reasons for the high infection rates in Africa.

One is that more women of child-bearing age are infected with HIV in Africa than elsewhere.

A second is that African women have more children on average than those on other continents. Thus, one infected woman may pass the virus on to a higher number of children.

A third reason is that nearly all children in Africa are breast-fed. Breast-feeding is thought to account for between a third and a half of all HIV transmission from mother to child.

A fourth reason is that new drugs are less readily available in Africa than in industrialized world.

The United Nations said the figures for Asia, where HIV is a latecomer, are less reliable than elsewhere because only a few Asian countries have developed sophisticated systems for monitoring the spread of the virus.

India has the largest number of HIV-infected people — 4 million — in the world.

With a vaccine against HIV a distant hope, Dr. Piot said, "AIDS is with us to stay for a long time."

CHINA: Personal Freedom Blossoming

Continued from Page 1

long enough to talk to some ordinary folk.

The issues that most people care about most — choosing a job, a place to live, a mate — have gained a degree of flexibility that few could have imagined 10 years ago.

Eager to accentuate the positive side of Mr. Clinton's engagement policy, administration officials like to argue that U.S. cooperation with China can help promote the growing sense of personal freedom in Chinese society.

In practice, the changes now under way in China are so deep and wide that it is hard to see how U.S. policy can significantly affect them one way or the other.

"China will find its own way forward, as it always has," said Alex Hao, an advertising executive who studied in the United States for five years before he returned to China in 1993. "Americans always think they can change every place. You can't change China as fast as it is changing by itself."

Perhaps the most remarkable aspect

of China's recent history is how the nation's social and economic change has sped ahead so fast while the political system has remained rigid. These diverging tracks create new strains for anyone who tries to straddle the two, yet for now most Chinese people seem content to stay on the path that lets their incomes and personal lives flourish.

Relinquishing control over aspects of ordinary life has not come from any benevolent plan by the authorities. Instead, as China has developed economically, with an ever-more-mobile populace, it has simply become more difficult for the authorities to monitor and control the lives of ordinary people.

Not long ago, every lane in Shanghai was subject to the watchful eye of a neighborhood committee, a local organization typically staffed by retired women who kept track of every resident and reported to the local police or Communist Party organization anything unusual, like a young unmarried couple living together.

Similarly, every work place in the vast state-run apparatus of companies, offices and organizations had its own party organization to keep track of anyone who seemed to stray from the preferred path, in personal or professional matters.

Yet in recent years, each of these avenues of control has begun to melt away. Modern phenomena, like tall apartment buildings and private companies, make it harder for the authorities to control the lives of ordinary individuals.

Yet increased personal freedom is not limited to city dwellers. In rural China, where the vast majority of China's 1.2 billion people live, old restrictions on movement from one area to another have melted away. As a result, well over 100 million people migrate to work outside their home area.

Su Xiaoli remembers her own days in the countryside, where she spent five years planting rice as a teenager in the 1970s, having followed orders to move there from Shanghai.

"We had no choice at all at that time," mused Mrs. Su, 42, now the deputy manager of a company that makes revolving doors. "Now it's the other extreme. My son is 16, and the choices facing him are astounding to me. He says it's too big deal."

Through her own eyes, Mrs. Su has watched the tentacles of government control relax year by year, gradually granting her the freedom to change jobs, change apartments and travel overseas. She has done each in the last four years.

At a previous job in the telephone bureau, she said, one day of each work week was set aside for a political meeting, where the current political line from Beijing was supposed to be discussed.

In practice, she recalled, that usually meant that a leader in her department would simply read sections of the People's Daily newspaper aloud.

At that time, by her own description, Mrs. Su was relatively powerful. In an era of scarce telephones, she got to decide who got a phone line in their home, and she laughingly admits that she often took gifts and favors just to do her job. But as privileged as she was, she chafed against all the limits.

"If you sat around and did nothing, life was simple," Mrs. Su said. "If you wanted to get a plane ticket or some gasoline for a car, it was an ordeal of paperwork. Trying to change jobs was a nightmare."

Today, Mrs. Su can buy a plane ticket, book a hotel room or buy a car without any special permission or interference from the authorities. When she quit the phone bureau to take her new job in 1995, she did not need anyone's permission.

"Not even my husband could stop me," she said, laughing again.



Chinese lining up outside the U.S. Embassy in Beijing on Tuesday to apply for visas to visit the United States. Despite often-strained relations, hundreds of Chinese each day seek an opportunity to travel to America.

RUSSIA: Yeltsin Sounds Alarm on Finances and Prods Duma

Continued from Page 1

to back up depleted foreign currency reserves, which stand at about \$15 billion, including gold. The government reiterated Tuesday that it was determined to defend the currency against devaluation.

The statements came in response to speculation that some kind of devaluation was inevitable. Andrei Iliamov, a respected liberal economist, said in a radio interview Monday that it was futile to borrow money from international financial institutions to prop up the ruble.

The ruble, he said, "is doomed for devaluation." On Tuesday, the dollar was quoted at 6.187 rubles, but some analysts are predicting a 30 to 40 percent devaluation for the Russian unit.

But the central bank chairman, Sergei Dubinin, insisted that devaluation "could only do harm." He added, "I have not seen well-argued statements in support of the ruble's devaluation by experts or industrialists."

"Today there is no direct threat of devaluation," he said.

Mr. Kiriyenko is expected to hold negotiations later this week with Stanley Fisher, deputy managing director of the IMF, on a stabilization loan. Mr. Fisher met Tuesday with Anatoli Chubais, Mr. Yeltsin's point man in dealing with international financial organizations, to iron out differences on a delayed, \$670 million tranche of the Fund's current \$9.2 billion, three-year loan.

Mr. Chubais said that for the new stabilization package, Russia was looking at borrowing not only from the IMF but also from commercial banks and the European Bank for Reconstruction and Development. He said the talks may take a month or two.

Mr. Yeltsin threatened in his speech to act unilaterally if the Parliament balked. Mr. Yeltsin has the power to impose legislation by himself until Parliament acts, although his decrees are often unenforced. The lower house, the State Duma, is dominated by Communists and nationalists who have opposed many of his initiatives.

"The price of delays and procrastination, squabbles and quarrels is too high today," Mr. Yeltsin said, demanding that all the laws sought by the government be enacted before Parliament took its summer recess. "If not," he said, "a different kind of measures will be taken," a clear reference to decrees.

"Shame!" came a catcall from the audience. "Who is the master here?" was another.

At the top of the government's wish list is a bill to streamline the tax code, reducing rates and the number of taxes. Alexander Shokhin, leader of the pro-government Our Home Is Russia party, said Mr. Yeltsin could not impose tax laws by decree, but he promised to support rapid action in the Duma next month.

Gennadi Zyuganov, the Communist Party leader, said Mr. Yeltsin had presented a stale menu of ideas. "The materials are prepared by the same people, same faces, same approaches," he said. "The same lack of soul, pain, sympathy and compassion."

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KOREA:
Unemployment Rises

Continued from Page 1

government doesn't seem to mind seeing these small companies go bust left, right and center."

Mr. Morris predicted that the government could avoid unsettling political pressure from thousands of newly jobless workers as long as most of them did not belong to unions and were poorly organized. "Political pressure comes on when they make large numbers redundant from the chaebol," he said.

The hardest-hit sector is construction, where the number of workers has fallen by 22.4 percent from a year ago with hundreds of building projects suspended and new contracts increasingly difficult to obtain. The number employed in mining and manufacturing has fallen 14.6 percent from a year ago.

Analysts said they saw no possibility that the rising unemployment would be reversed this year.

Richard Samuelsoo, director of SBC Warburg here, told a meeting of potential foreign investors Tuesday that he believed the economy would contract by 8 percent by the end of the year, while the won, which closed at 1,385 to the dollar Tuesday, would end the year worth only 2,000 to the dollar.

The Finance Ministry recently admitted that the economy would probably contract by 4 percent after having previously said that a 1 percent decrease was possible. Finance Minister Lee Kyu Sung added to the sense of pessimism, predicting that "a financial crunch" would hit the country "in the next three to four months."

Under the circumstances, he said, the government had no choice but to increase fiscal support with extra funds for trade, housing and unemployment even if the result would be to weaken the won.

That policy appears to be a response both to companies and to workers.

Companies complain that they are unable to obtain the credit they need to import the raw materials and machinery needed to produce goods for export, which both government and chaebol leaders view as essential to bringing about economic recovery.

Unions say the government is not providing enough funds for welfare and unemployment benefits and have repeatedly threatened to refuse to support an agreement to go along with limited layoffs.

BRIEFLY

Ethiopia Sending
Troops to Front

ADDIS ABABA, Ethiopia — Ethiopia continued to send troops to its border with Eritrea on Tuesday, preparing for a possible resumption of fighting, state radio and television reported.

Fighting broke out May 6 over disputed territory. After several cross-border air raids and artillery attacks that began June 5, fighting has ebbed. (AP)

Mediation Fails
For Guinea-Bissau

LISBON — An attempt by religious leaders to mediate an end to the two weeks of fighting in Guinea-Bissau failed Tuesday when Senegalese troops prevented them from meeting the leader of the breakaway military faction, according to reports from Guinea-Bissau.

The mediation effort was the third to fail since Brigadier Ansumane Mane staged a coup in the former Portuguese colony in West Africa June 7. (AP)

Hope for American
Imprisoned in Peru

LIMA — The new prime minister of Peru has started U.S. officials by publicly saying that Lori Helene Berenson, 28, a New Yorker jailed for life on charges of terrorism, should be freed from her cell and expelled.

But the officials said the prime minister, Javier Valle Riestra, might be speaking just for himself and not for the government. (NYT)

For the Record

The U.S. House of Representatives strongly supported a U.S. undercover anti-narcotics operation that has strained relations with Mexico, approving a nonbinding resolution, 404 to 3. (AP)

IRAQ: Nerve Gas Traces on Missile Fragments Contradict Baghdad's Report to UN Team

Continued from Page 1

its neighbors or internal opponents. The discovery also suggests a continuing effort by Iraq to conceal weapons of mass destruction. Iraqi officials repeated denials regarding their VX program as recently as last week, in a meeting in Baghdad with Richard Butler, executive chairman of the UN Special Commission, or UNSCOM, which is responsible for finding and destroying prohibited weapons in Iraq.

Mr. Butler is scheduled to report his complete findings to the Security Council in a closed-door session on Wednesday. Last week, he informed the council that he had presented preliminary results from the Aberdeen laboratory to Tariq Aziz, Iraq's deputy prime minister, but was rebuffed.

"During the discussions," Mr. Butler said in a June 16 report to the Security Council, "the Commission presented the preliminary results of the chemical analysis of certain evacuated remnants of special missile warheads. The Iraqi side rejected these results. Both sides agreed to conduct further discussions on the issue."

Mr. Butler also reported that "Iraq refused to undertake additional steps to clarify the extent of its attempts to produce the chemical warfare agent VX. Iraq stated that this matter was closed and that it was only ready to discuss the evidence available to the commission of incorrect declarations on VX."

Mr. Aziz took strong exception to Mr. Butler's version of the exchange in a letter Monday to the Security Council. He wrote that Iraq had presented all necessary documents showing that it had not produced VX in 1990 or 1991 "in sufficiently stable manner to be utilized within the framework of the armament program."

Mr. Aziz also asserted that Iraq had completed all disarmament activities required by a 1991 Security Council resolution and that a new work schedule agreed to with Mr. Butler would enable the commission to submit its final report, clearing the way for a lifting of Gulf War sanctions.

A copy of the U.S. Army laboratory report was obtained from officials of the Iraqi National Congress, the principal Iraqi exile opposition group. Diplomatic sources confirmed the findings. U.S. of-

ficials declined to discuss the report, but did not dispute its conclusions.

The new indications of Iraqi deception are likely to reverberate in U.S. politics. Conservative Republicans have been increasingly critical of what they see as a failure by the Clinton administration to support strongly either aggressive UN inspections for Iraqi weapons of mass destruction or efforts to overthrow the Iraqi leader, Saddam Hussein.

Word of the new findings on VX gas began to circulate on Capitol Hill late last week, leading to the drafting of a letter to President Bill Clinton from Republican congressional leaders demanding to know if Mr. Clinton would back Mr. Butler in a confrontation with Baghdad. The letter was sent to the White House on Monday night.

The Senate majority leader Trent Lott, Republican of Mississippi, one of the four signatories of the letter, said he was deeply disturbed by reports that the administration had not acted on the VX information.

"The latest example of a failed policy toward Iraq will not be swept under the rug," he said.

The State Department spokesman,

James Rubin, denied Republican suggestions that the administration had accepted restrictions on UN inspections since the Feb. 23 accord between the UN secretary-general, Kofi Annan, and Mr. Saddam that averted U.S. military strikes.

"We strongly support Richard Butler and UNSCOM," Mr. Rubin said.

Iraq is known to have developed an extensive arsenal of biological and chemical weapons before the Gulf War. In 1994, General Wafiq Samarra, the chief of military intelligence, defected from Iraq and disclosed that at least 10 warheads filled with VX and 10 filled with anthrax had been available to Iraqi forces in 1991.

Iraq initially denied having done any work on VX, then admitted to having conducted some research on it, and finally admitted to having made 3.9 tons in the course of its research, which Iraqi officials claimed to have destroyed in secret.

At a meeting with two panels of UN experts in Baghdad in February, Lieutenant General Amer Saadi, the head of Iraq's delegation, said that "if there was know-how, it was only on the laboratory scale, without full understanding."

EUROPE

Prodi Wins Vote on Enlarging NATO

Small Party Backs Italy Government After Communists Desert It

By Alan Friedman
International Herald Tribune

ROME — The government of Prime Minister Romano Prodi averted a crisis on Tuesday when it won crucial parliamentary support in favor of enlarging NATO, thanks to the votes of a small centrist opposition party.

The Parliament gave final approval to NATO's eastward expansion by a vote of 310 to 79, with 169 abstentions.

The ratification vote — which is required in all 16 member states before the alliance can be enlarged to the East — had become a domestic football because the far-left Refounded Communists, a key ally of Mr. Prodi's center-left coalition, opposed NATO expansion.

The government has an absolute majority in the Senate but depends on the Communists in the lower house to approve legislation.

With the Refounded Communist leader, Fausto Bertinotti, refusing to support including Poland, the Czech Republic and Hungary in NATO, Mr. Prodi was effectively deprived of his

parliamentary majority.

Silvio Berlusconi, the former prime minister who leads the center-right opposition, tried to use the NATO vote to bring down the government. After a meeting with President Oscar Luigi Scalfaro on Tuesday, Mr. Berlusconi had insisted that his opposition Freedom Alliance would vote in favor of expanding NATO only if Mr. Prodi resigned.

But the prime minister made plain that he had no intention of stepping down. His governing coalition, meanwhile, was poised to win the last of four votes after it got support from the new Union of Democrats for the Republic, a centrist party that was founded recently by a former president, Francesco Cossiga.

The new party, an assortment of former Christian Democrats that is seeking to occupy the middle ground and assert itself as a power broker in Italian politics, has 31 votes, which on Tuesday replaced Mr. Bertinotti's 37.

Mr. Cossiga met with Mr. Prodi before the vote and said he was satisfied with the government's policy.

Political observers here said it was important to Mr. Cossiga that the prime minister made explicit mention of his party, that he met with party members and that he asked for their support in Parliament.

In spite of Mr. Berlusconi's threat to vote against the government, at the last minute, the center-right opposition abstained.

Mr. Prodi, who has governed Italy since May 1996, had urged all parties to put aside partisan differences.

"The foreign policy of a great country such as ours is too important for it to become a pretext for a battle over internal politics," Mr. Prodi told the Chamber of Deputies.

A year ago, the Refounded Communists opposed a mission to Albania, and Tuesday's vote on NATO again exposed the degree to which the center-left governing majority is vulnerable to the ideological Marxists that back it.

Mr. Prodi was expected to report Tuesday night to President Scalfaro, amid uncertainty over whether Mr. Scalfaro might send the government back to Parliament for a vote of confidence.

Mr. Bertinotti's Communists have opposed NATO expansion, but they have promised to vote to keep the government in power.

Jail Sought for Berlusconi

The prosecutor at the corruption trial of Mr. Berlusconi said Tuesday that he should be jailed for two and a half years and fined \$6.8 million dollars, Agence France-Presse reported from Milan.

Mr. Berlusconi is on trial over accusations that a subsidiary of his Fininvest media group called All Iberian paid 10 billion lire (\$6 million) in October 1991 to Bettino Craxi, the one-time Socialist party chief and former prime minister, who has fled to Tunisia to escape trial.



An Italian policeman inspecting the hole in the courtroom floor through which two Mafia bosses escaped.

2 Mafia Chiefs Escape, Embarrassing Italy

ROME — The Italian government was asked to explain Tuesday how the escape of two top Mafia bosses from a packed courtroom in a Houdini-like disappearance could have happened.

The escape of Ferdinando Cesarano and Giuseppe Autorino, members of the Camorra, the Naples-based Mafia, from a courtroom in Salerno on Monday came as the government was still

licking its wounds after the flight of two top criminals last month.

According to police accounts, the two mobsters managed to escape the defendants' box in the courtroom through a hole that had been cut in the floor — presumably by outside accomplices.

Blocked from view of the courtroom by other defendants also standing in the box, the two mobsters ducked into

the hole and through a tunnel leading to a nearby highway before anyone noticed, police said.

By the time guards learned of the escape, it was too late to catch the fugitives, who had been picked up by car, they said. The police were still scouring the area for the two mobsters.

Italian officials, trying to control the damage, said late Monday that they had launched an investigation.

Jet Hijacker Gives Up in Spain

The Associated Press

VALENCIA, Spain — A Spanish hijacker described as mentally unstable seized an Iberia Airlines jet on Tuesday, forcing the plane to land and holding more than 100 people hostage for four hours. He then surrendered peacefully, and no one was injured.

The hijacker's psychiatrist flew to Valencia from Seville and by cellular phone, talked him into giving up.

The man, not identified, brandished a television remote control device that he claimed could explode a bomb, the

national news agency EFE reported.

The Boeing 727 was carrying 131 people between Seville and Barcelona when it was diverted to the eastern city of Valencia. The hijacker at first asked to be flown to Athens, then said he wanted to go to Tel Aviv.

Among those aboard the flight was the mayor of Seville, Soledad Becerril, who was in contact with the police through a mobile phone. She was headed to a meeting in Switzerland, to promote Seville's candidacy for the 2008 Summer Olympics.

Last Chance for Milosevic?

Holbrooke to Press Serb to End Kosovo Crackdown

The Associated Press

BELGRADE — A senior U.S. diplomat arrived Tuesday in Belgrade with what could be a final warning for President Slobodan Milosevic before NATO takes steps to try to end the fighting in Kosovo.

The visit by Richard Holbrooke, a troubleshooter for the region and the next U.S. delegate to the United Nations, is seen as a last diplomatic effort to get Mr. Milosevic to stop his crackdown on ethnic Albanians in the secessionist Serbian province.

Western nations, which sent NATO jets buzzing over the region in a warning to Mr. Milosevic earlier this month, have been deliberating on what measures they will take if Mr. Milosevic refuses.

Mr. Holbrooke stopped in Macedonia en route to Belgrade, meeting in the capital, Skopje, with Prime Minister Branko Cvetkovski and President Kiro Gligorov.

He also was expected to meet with the ethnic Albanian leader Ibrahim Rugova, who supports a peaceful settlement but has limited — if any — influence over the Kosovo Liberation Army.

The West fears the Kosovo conflict could spread to Macedonia, which borders on

Kosovo and also has a sizable community of ethnic Albanians.

Mr. Holbrooke is credited with getting Mr. Milosevic and other Balkan leaders to sign the Dayton peace agreement for Bosnia.

But he has made no progress in months of efforts to get the autocratic Yugoslav leader to halt his campaign to crush militants in Kosovo.

NATO Rattles the Sword

A senior NATO official signaled Tuesday that the alliance was prepared to hit targets throughout Yugoslavia — not just in Kosovo itself — if it intervenes in the latest Balkan conflict, Reuters reported from Vienna.

The military official, speaking on condition of anonymity, said that the alliance was also looking at a full range of troop deployment options to end the crisis, adding that the time remaining to find a peaceful solution was "very short."

"Nothing is ruled out," the official said. "From an air defense perspective, Serbia is a significant threat environment."

And therefore there are at this stage in the considerations a full range of targets, without geographic limitation.

Swiss Refuse to Pay War Refugee

Reuters

BERN — The Swiss government rejected on Tuesday a request for compensation from a Jewish refugee who was caught in Switzerland in 1943, handed over to Nazi Germany and denounced as a Jew as the Holocaust raged.

The cabinet made public a letter it sent to the lawyer for the refugee, Joseph Spring, saying that it deeply regretted the incident but insisting that the Auschwitz survivor's demand for 100,000 Swiss francs (\$66,800) was not legally valid.

Mr. Spring, 71, said he was disappointed that Switzerland had not found it appropriate to compensate him for what he termed his "betrayal." His lawyer said he would appeal to Switzerland's supreme court.

Mr. Spring, now an Australian citizen, was born in Berlin of Polish parents, but moved with his mother to Brussels in 1939. As a 16-year-old, he and two cousins tried to sneak across the French-Swiss border to safety in Switzerland, he said.

Their first attempt failed when a Swiss farmer found them and led them to a customs post. They ran into a Swiss Army patrol when they crossed the frontier again and tried to follow a railway track into the interior.

Border guards then handed the three over to German authorities and informed them that the relatives, who were carrying false French passports, were actually refugee Jews. The three were sent to Auschwitz, where his cousins were gassed.

BRIEFLY

Gonzalez Denies All In Basque 'Dirty War'

MADRID — Former Prime Minister Felipe Gonzalez of Spain denied under oath on the first time on Tuesday that he had authorized a covert terror campaign against Basque separatists in the 1980s.

Two years after the "dirty war" scandal and bring down his Socialist government, Mr. Gonzalez testified during a police explosive trial that he had no edge of the wave of illegal attacks during his administration.

Never occurred to me to do anything "it," Mr. Gonzalez said in a crowded court at Spain's Supreme Court.

(Reuters)

t Filed in Germany or Train Disaster

ANKFURT — A German lawyer on lay filed a suit for manslaughter against the German rail operator Deutsche, alleging culpable negligence in the speed train crash that killed 100 people early this month.

Ernst Rosenkranz of Hamburg charged the rail company knew that the wheels on the type of high-speed Inter-City train involved in the crash were not He alleged that wheels on early model of the trains were made from a number of different components, while later models

were made from a single component, making the wheel units much safer.

A spokesman for the state-owned Deutsche Bahn said that it did not wish to comment on the allegations, as an investigation into the causes of the Eschede crash was still ongoing. (Reuters)

Commons Lowers Age Of Consent for Gays

LONDON — The House of Commons voted overwhelmingly Monday night to lower the age of consent for homosexuals to 16, easily overcoming objections from leaders of the Church of England.

The action, by a vote of 336 to 129, brings the law into line with the age of consent for heterosexuals and brings Britain into conformity with laws elsewhere in Europe and with a recent decision by the European Human Rights Commission.

The Finnish Parliament passed the same measure Monday, and Austria, the one remaining country with 18 as the legal age, is expected to follow suit next month. (NYT)

For the Record

A decree barring the dumping of toxic waste in Venice harbor was revoked Tuesday by judicial decision after the petrochemical industry and labor leaders argued that the move threatened 24,000 jobs in the industry and would cost it 6 trillion lire (\$3.5 billion) a year. (AFP)

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ASIA/PACIFIC

Snared North Korean Submarine Sinks Amid Mystery About Crew

By Mary Jordan
Washington Post Service

SOKCHO, South Korea — A captured North Korean submarine being towed by a South Korean warship sank just before reaching port Tuesday, leaving the fate of its crew and the incident's broader impact on stability on the Korean Peninsula still to be determined.

The 70-ton submarine had become fouled in a fishing net about 20 kilometers off the shore of this seaside resort town Monday. South Korean military divers were attempting to refloat the vessel near a military base south of here, but reported no sign of life aboard.

Officials said they were uncertain if the crewmen drowned or suffocated inside the damaged vessel. They said there was also a possibility that they had killed themselves or even swam from the vessel and escaped.

"Yes, I am nervous," said Lee Jung Jae, who sat on the seawall here looking out where the submarine had been spotted.

"We can feel that North Korea is trying to dig through the smallest crack" in national security.

As the drama unfolded, with military frogmen cautiously examining the spy vessel for fear it would blow up, officials on both sides of the border played down the incident. Two years ago, the grounding of a North Korean submarine on this same section of coast escalated into a fierce confrontation and 37 deaths.

North Korea swiftly responded, saying through its official press agency that one of its submarines was missing and that its crew had reported mechanical troubles on its "training" mission.

"Now the life or death of the crew is unknown," the agency said. It did not acknowledge that it had been captured, but neither did it demand that it be immediately returned.

President Kim Dae Jung of South Korea appeared to be balancing his need to be viewed as tough against the hawkish elements in the Stalinist North and his fear of jeopardizing the progress

made toward improving relations with the North. His military aides called the incident a clear armed provocation by the Communists, but Mr. Kim's top security adviser, Lim Dong Won, was quoted in the Korean media as saying that the incident would have "little impact on the 'sunshine' policy," in which South Korea government seeks new cooperation and engagement with Pyongyang.

In perhaps the most visible sign of improving ties, the South Korean business tycoon Chung Ju Yung returned from a triumphal visit to North Korea on Tuesday and excitedly announced that he hoped to soon start the first tourist business with the North in more than 50 years.

Mr. Chung said he had received assurances from North Korean officials that he could operate a car ferry from this resort to North Korea's spectacular Diamond Mountain.

Before Mr. Chung can start ferrying South Koreans to the North, further

negotiations and approvals are needed from both sides. But Mr. Chung said that once this was done, "more than 1,000 tourists will be able to go to Diamond Mountain every day by sightseeing boat as early as this fall."

Military-to-Military Talks

Military officials from the United Nations Command and the North Korean Army held constructive talks on Tuesday in the first such meeting since 1991. Reuters reported from Seoul.

The talks, being held at the major general level, were "a good first step in establishing a crisis management mechanism to help prevent or deal with any military incidents," a statement by the United Nations Command said.

"The importance of such a mechanism in reducing tensions and discussing Armistice issues was underscored by the apprehension of a North Korean submarine in Republic of Korea waters," it said.

The statement did not say if the sub-

marine incident had been discussed during the meeting. But a spokesman for Mr. Kim said the South Korean leader had instructed his representatives to raise the issue.

The UN side was led by Major General Michael Hayden of the U.S. Air Force. The North Koreans were led by Lieutenant General Li Chan Bui.

"The nine-hour-and-twenty-minute meeting was held in a constructive atmosphere," the statement said.

It was the first such meeting since February 1991, when the talks were held under the auspices of the Military Armistice Commission. North Korea declared the commission "nonfunctional" after a South Korean general was appointed as its head.

The talks Tuesday were "an additional dialogue channel at the senior officer level," said a United Nations Command spokesman, Jim Coles.

North Korea had proposed the talks, saying it was looking for an alternative to the armistice commission.

BRIEFLY

Cambodia Monitor Warns on Violence

PHNOM PENH — The head of a European Union election observer team said Tuesday he was concerned about political violence, intimidation and interference in elections scheduled for July 26 in Cambodia and called on the authorities to take action.

But the observers' chief, Sven Linder, said he was satisfied with technical preparations for the balloting, including EU-funded registration of voters that ended last week.

"It must be a matter of utmost priority to ensure there is no more violence, no more intimidation," Mr. Linder said. (Reuters)

Hashimoto Vows Election Victory

TOKYO — Prime Minister Ryutaro Hashimoto vowed Tuesday to lead his governing party to victory in July 12 elections to the upper house of Parliament, and urged voters to opt for political stability.

He said stability was needed to deal with major problems that include the large number of bad loans held by Japanese financial institutions.

"To opt for political turmoil or stability? I really want Japanese citizens to opt for stability," Mr. Hashimoto said. Half of the seats in the House of Councilors, a total of 126 seats, are at stake. Mr. Hashimoto's Liberal Democratic Party needs to win 69 seats to take control. (Reuters)

For the Record

Thirty activists left Taiwan aboard three fishing boats in a new bid to land on a group of uninhabited East China Sea islands administered by Japan but claimed by China and Taiwan. They were to meet and sail with 25 protesters from Hong Kong. (AP)

The king of Bhutan, Jigme Singye Wangchuk, was reported by the Bhutan newspaper Kuensel to be dismissing cabinet members who were not chosen by the people and to have submitted a proposal for political change to the National Assembly. (AP)

Habibie to Meet With East Timor's Belo

Agence France-Presse

JAKARTA — President B.J. Habibie of Indonesia, who has proposed a special status for East Timor, will meet Wednesday with the territory's Nobel Peace Prize-winning opposition leader, Bishop Carlos Ximenes Belo, officials said.

Bishop Belo boarded a plane for Jakarta on Tuesday, church officials said, as thousands of people took a motorcade through the capital, Dili, calling for a self-determination refer-

endum for the former Portuguese colony, which was invaded by Indonesian troops in 1975 and which was annexed by Indonesia the following year.

State Secretary Akbar Tanjung said the meeting would take place on Wednesday afternoon at the president's office.

"The meeting is in the framework of a pro-active dialogue with various public figures, including figures from East Timor, in this case, Bishop Belo," he said. "In that discussion, of course,

various topics on the East Timor issue will arise."

Bishop Belo, who was awarded the Nobel Peace Prize in 1996, has been uniting in his efforts to fight for the respect of human rights in the territory.

The one-month old government has been under mounting pressure to make a move on the issue of East Timor, which the United Nations and most states continue to view as being officially under Portuguese administration.

Since he took office on May 21, Mr. Habibie has freed 15 East Timorese political prisoners as part of political reforms and suggested that East Timor could be given a special autonomous status while remaining part of Indonesia.

In an interview with an Australian journalist Sunday, Mr. Habibie hinted that Jakarta could also release the jailed East Timorese rebel leader Xanana Gusmao, but on condition that the territory remain a part of Indonesia.

Portugal and East Timorese activists immediately rejected the offer, saying that East Timorese themselves — not just Lisbon and Jakarta — must be involved in any decision on their future.

Labor Protest Is Planned

Indonesian labor activists have threatened to bring thousands of workers to Parliament on Wednesday, setting the scene for a possible confrontation with the military, which has said it will



Bishop Carlos Ximenes Belo in his car Tuesday after arriving in Jakarta.

crush any such protests, Reuters reported from Jakarta.

Officials at the Indonesian Labor Welfare Union said Tuesday that they planned to go ahead with a demonstration demanding that Mr. Habibie resign despite military threats against the move.

"We are still having the protest, and we are going to the Parliament, as that is the commitment we have agreed to with

the security forces," said Sunarty, the secretary-general of the recently re-negotiated labor union.

"We will release a full list of our demands at the protest, but basically we want Habibie to resign," she said.

But a Jakarta military spokesman, Lieutenant Colonel D.J. Nachrawi, said the capital's military command planned to take firm action against such protests and denied there was any agreement.

India Proposes Summit With Pakistan in July

Reuters

NEW DELHI — India said Tuesday that Prime Minister Atal Behari Vajpayee had sent a letter to his Pakistani counterpart suggesting that they hold bilateral talks during a summit meeting of South Asian nations in Sri Lanka from July 29.

A spokesman for the Foreign Ministry told reporters that the prime minister "conveyed that the presence of the two prime ministers at Colombo would enable them to hold bilateral discussions on all issues of future interest and decide how to proceed further with the dialogue process."

The spokesman said Mr. Vajpayee had written to Prime Minister Nawaz

Sharif of Pakistan on June 14 reiterating India's commitment to fostering peaceful and friendly relations between the two countries.

"The initiative taken by the prime minister in writing to Nawaz Sharif is a continuation of the spirit of his earlier letter to the Pakistani leader as well as statements calling for a forward-looking approach free from the contentions of the past," the spokesman said.

Tensions between the bitterly divided nations have mounted since both conducted nuclear tests last month.

New Delhi and Islamabad have since offered differing dates and venues for the resumption of their stalled dialogue, but no progress was made.



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Clinton Assn Over Rescine Radio Free Asia Jour

By Bruce A.

WASHINGTON

Clinton's Secretary of State, Madeleine Albright, said Tuesday she was

concerned about the possibility of political violence, intimidation and

interference in elections scheduled for July 26 in Cambodia and

called on the authorities to take action.

But the observers' chief, Sven Linder, said he was satisfied with

technical preparations for the balloting, including EU-funded registra-

tion of voters that ended last week.

"It must be a matter of utmost priority to ensure there is no more

violence, no more intimidation," Mr. Linder said. (Reuters)

Hashimoto Vows Election Victory

TOKYO — Prime Minister Ryutaro Hashimoto vowed Tuesday to

lead his governing party to victory in July 12 elections to the upper

house of Parliament, and urged voters to opt for political stability.

He said stability was needed to deal with major problems that include

the large number of bad loans held by Japanese financial institutions.

"To opt for political turmoil or stability? I really want Japanese

citizens to opt for stability," Mr. Hashimoto said. Half of the seats in

the House of Councilors, a total of 126 seats, are at stake. Mr. Hashi-

moto's Liberal Democratic Party needs to win 69 seats to take control.

(Reuters)

For the Record

Thirty activists left Taiwan aboard three fishing boats in a new

bid to land on a group of uninhabited East China Sea islands ad-

ministered by Japan but claimed by China and Taiwan. They were to

meet and sail with 25 protesters from Hong Kong. (AP)

The king of Bhutan, Jigme Singye Wangchuk, was reported by the

Bhutan newspaper Kuensel to be dismissing cabinet members who

were not chosen by the people and to have submitted a proposal

for political change to the National Assembly. (AP)

House Panel Backs Clinton

WASHINGTON

The House of Representatives on Tuesday passed a resolution

supporting President Clinton's policy of non-interference in the

elections in Cambodia, despite concerns about political violence and

intimidation. The vote was 217-197.

The resolution, introduced by Rep. James W. Thompson (D-N.C.),

called for the U.S. to continue to provide technical assistance for

the election process, but to avoid any direct involvement in the

election itself. It also urged the U.S. to continue to monitor the

situation in Cambodia and to report back to Congress.

(AP)

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ASIA/PACIFIC

Clinton Assails China Over Rescinded Visas

3 Radio Free Asia Journalists Are Barred

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton, seeking to fend off pressure from congressional critics of his China visit, denounced Beijing on Tuesday for denying visas to three journalists who had planned to cover the trip for Radio Free Asia, which is funded by the U.S. government. He said the move was "highly objectionable."

But the president received a boost from his Democratic allies in the Senate, who on the eve of his departure moved to spare him embarrassment by limiting debate on legislation proposed by critics of his China policy.

Mr. Clinton told reporters that the visa denial was "a highly objectionable decision," adding: "We will protest it. We hope they will reconsider it."

He said the move would deprive China "of the credit that it otherwise would have gotten for giving more visas to a more diverse group of journalists."

The Radio Free Asia journalists had obtained visas from the White House just as the scores of other reporters traveling with Mr. Clinton had done. But on Saturday, a Chinese Embassy official called the three to tell them their entry visas for China were being rescinded.

The Chinese move drew angry criticism from many in Congress. The House speaker, Newt Gingrich, Republican of Georgia, told Mr. Clinton he was "gravely concerned" by the Chinese action and suggested that the president take the three journalists "as your guests on Air Force One."

Radio Free Asia was established by Congress and enjoys strong support from Mr. Clinton, who only weeks ago praised it as a key part of his administration's China policy. China has often jammed its broadcasts, charging that their intent is to undermine the Chinese system.

The three journalists were identified as Feng Xiaoming, a Chinese-American broadcaster; Arin Basu, an Indian diplomatic reporter; and Patricia Hindeman, an American technician and producer.

The Clinton trip, the first by a U.S. president since the 1989 massacre of student-led protesters around Tiananmen Square in Beijing, was already facing an unusually heavy cloud of criticism from Congress, as well as an array of legislative attempts to influence the emerging relationship.

More than 75 China bills await action in the House and the Senate, most aimed at imposing additional sanctions on China. The legislation reflects long-standing complaints against China for what critics say are chronic human rights abuses, unfair trade practices, and transfers of sensitive technology to countries including Pakistan and Libya.

With many in Congress angry at Beijing for its stance on Taiwan, which it considers a rebel province, Chinese officials have indicated that they want reassurances from Mr. Clinton that the United States would oppose independence for Taiwan.

Others in Congress have taken sharp issue with Mr. Clinton for deciding not to visit with Chinese dissidents on his trip, and for agreeing to make an official appearance on the edge of Tiananmen Square. Presidential spokesmen have said that he will speak out strongly against human rights abuses while in China.

The criticism of Mr. Clinton has been fueled by allegations that satellite exports to China might have harmed U.S. national security, and that waivers permitting the launch of U.S. satellites by Chinese officials would be influenced by Democratic campaign contributions. Those matters are being investigated by committees in the House and the Senate, and hearings will continue during the Clinton visit.

A total of 151 House Republicans and one Democrat, James Traficant Jr. of Ohio, signed a letter asking Mr. Clinton to call off the trip until questions about the satellite transfers are clarified.

The amendments that were put on hold Tuesday to the Senate responded to some of the critics' concerns. One amendment would deny travel to the United States by Chinese officials who engage in religious persecution or forced abortion and sterilization policies. Another would return jurisdiction over satellite-technology exports from the Commerce Department to the State Department.

The Senate minority leader, Tom Daschle of South Dakota, insisted Tuesday that he would keep debate over those amendments from proceeding during the president's visit. "I'm not going to allow one single vote on China this week," he said. "We're not going to embarrass this president."

The author of the amendments, Senator Tim Hutchinson of Arkansas, insisted that their intent was to give Mr. Clinton a stronger hand in China. "Far from embarrassing the president," he said, "it is incumbent upon us to strengthen his ability to address human rights issues."

But Mr. Daschle and other Democrats disagreed. "China has a long way to go," said Senator Dale Bumpers of Arkansas. "No one argues that."

But, he added, "China should receive some recognition" for the steps it had taken. "Common sense dictates that the president do exactly what he's doing."

Some Republicans supported that sentiment, saying they hoped to avoid a confrontation that could damage broader U.S. interests during the Clinton trip.

Clinton's China Itinerary

Thursday, June 25: President is welcomed to Xian.

Friday, June 26: Visits village of Xia He; visits site of discovery of the Terra Cotta Warriors outside Xian. Flies to Beijing.

Saturday, June 27: Welcomed in state arrival ceremony by President Jiang Zemin at the Great Hall of the People, on the edge of Tiananmen Square. Meets with Jiang and senior officials in the Great Hall of the People. Clinton and Jiang hold news conference. State banquet at Great Hall of the People.

Sunday, June 28: Attends services at Chongwenmen Church. Visits Forbidden City and Great Wall of China.

Monday, June 29: Addresses students at Beijing University. Flies to Shanghai.

Tuesday, June 30: Meets with community leaders from Shanghai area. Mayor of Shanghai hosts reception at Shanghai Museum.

Wednesday, July 1: Clinton addresses U.S. business leaders.



The Bettman Archive
from Shanghai area. Meets with new Chinese homeowners and builders.

Thursday, July 2: Flies to Guilin, discusses environment with Guilin residents. Tours the Guilin Peaks along Li River. Visits village of Yangshou. Flies to Hong Kong.

Friday, July 3: Addresses business and local leaders of Hong Kong. Holds news conference. Departs for Washington.

China's Reminder to U.S.: The Key Issue Is Taiwan

Arms Deals and Independence Are Opposed

By John Pomfret
Washington Post Staff Writer

BEIJING — China told the United States on Tuesday what it wanted during the summit meeting between Presidents Bill Clinton and Jiang Zemin: a commitment by the United States to decrease its arms sales to Taiwan and a public statement by Mr. Clinton that the United States opposes Taiwan independence.

Taiwan's efforts to join the United Nations and a policy that recognizes both China and Taiwan.

The statement, by Foreign Minister Tang Jiaxuan, was a blunt reminder of the potentially explosive role that Taiwan could play despite the improving ties across the Pacific between Washington and Beijing.

It also was a clear sign that despite several other issues that concern China — such as trade sanctions and access to American high technology — the Taiwan issue remains critical to the Chinese.

The Taiwan question is a very special issue in China-U.S. relations," Mr. Tang told American reporters in Beijing. "It's the most sensitive, the most important — and at the core of bilateral relations between China and the United States."

Mr. Tang's focus echoes what U.S. and Chinese analysts have been saying for weeks, that China during this summit meeting is interested in one substantive issue alone: Taiwan.

China wants remaining economic sanctions, which were imposed on China after the 1989 pro-democracy crackdown, lifted. It also wants the United States to improve the export of China of high-technology products. But these issues are dwarfed by Taiwan.

While the Clinton administration is coming to China with a slew of issues — from shared concerns about a nuclear weapons race in South Asia, to trade issues, to human rights, China has made it clear to American officials that it has directly linked progress in those areas to U.S. policy on Taiwan.

In our view, the president should at an appropriate occasion make a public statement, a reiteration of the public statements that the United States has made on this issue," Mr. Tang said.

"The United States should also take concrete actions, to match their words and deeds."

Asked specifically if this meant lower weapons sales, Mr. Tang said, "Yes." China has asked the United States to abide by a communiqué President Ronald Reagan signed in Shanghai in 1982

that committed the United States to decreasing arms sales to Taiwan.

Arms sales to Taiwan were worth \$510 million in 1982. Last year, the United States sold \$1.8 billion worth of weapons to Taiwan.

A Defense Department official said he saw little chance that the United States would significantly lower arms sales to Taiwan, adding that the United States would soon launch a program to help Taiwan with some of the high-technology items — such as F-16s and Patriot anti-missile systems — that the United States has sold it over the past few years.

The Defense Department official also pointed out that the 1982 statement also obligated China to pursue a peaceful solution to the Taiwan problem. This official said that China's missile firing exercises and military exercises off Taiwan's coast in 1995 and 1996 constituted a violation of the communiqué as well.

The issue of Taiwan's reunification with China has troubled Chinese leaders since the late 19th century, when Japan colonized the island 100 miles off the coast of Fujian Province. In 1949, Chinese Nationalist leaders, led by Chiang Kai-shek, fled there, defeated by the Communists. China's civil war.

The United States broke relations with Taiwan in 1979, the same year it established official ties with China. But Congress soon passed the Taiwan Relations Act, which obligated the United States to protect Taiwan if it was attacked. China to this day maintains a threat to invade Taiwan if it declares independence.

Chinese officials have privately acknowledged that their goal in pushing the United States to decrease arms sales to Taiwan is to tighten the screws on the island nation and further isolate it. Without American security assistance, Chinese officials reason, Taiwan will be forced to begin negotiations with the Chinese government over a political settlement.

In a briefing for American reporters at the sprawling Foreign Ministry compound, Mr. Tang also lambasted the U.S. Congress for what he said was its ignorance about China. And he justified China's decision to hold the welcoming ceremony in Tiananmen Square by saying it was normal protocol.

Congressional critics of President Clinton have criticized him for assenting to the Chinese proposition that he be welcomed near the site of a violent crackdown on student-led protests in June 1989.

House Panel Backs Clinton on Normalizing Trade With Vietnam

The Associated Press

WASHINGTON — A House panel gave its backing Tuesday to the Clinton administration's opening of trade with Vietnam and moved to redefine "most favored nation" trade status, a designation that has been the focus of the annual battle over economic relations with China.

The Ways and Means Committee's trade subcommittee approved a measure that would change "most favored nation" to "normal trade relations."

The term refers to the tariff treatment the United States confers on almost

every country in the world. "This is needed to correct a misnomer under U.S. law," said the chairman of the subcommittee, Representative Philip Crane, Republican of Illinois.

He noted that currently only six countries — Afghanistan, Cuba, Laos, North Korea, Serbia and Vietnam — do not enjoy most-favored-nation status.

While Vietnam is still on that list, President Bill Clinton issued a waiver in March exempting Vietnam from a 1974 law that denies normal tariff treatment to countries with restrictive emigration policies.

Vietnam is not eligible for most-

favored-nation status because it has yet to sign a bilateral commercial agreement with the United States. But the waiver did open the way for Vietnam to get government credits and investment guarantees.

On June 3, Mr. Clinton reissued the waiver for the period of July 3, 1998, to July 2, 1999. Congress can reject that waiver, as some lawmakers try to do every year with China. Representative Dana Rohrabacher, Republican of California, has sponsored such a step, but the subcommittee, in a voice vote, expressed its opposition to his proposal and the full committee was expected to take the same position.

The amendments that were put on hold Tuesday to the Senate responded to some of the critics' concerns. One amendment would deny travel to the United States by Chinese officials who engage in religious persecution or forced abortion and sterilization policies. Another would return jurisdiction over satellite-technology exports from the Commerce Department to the State Department.

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OPINION/LETTERS

Give Presidents a Break On Automatic Sanctions

By David S. Broder

WASHINGTON — Senator Richard Lugar of Indiana, a man not given to rhetorical overstatement, calls them "epidemic." The Republicans' most respected foreign policy spokesman is talking about the raft of economic sanctions imposed by the United States in recent years, a feel-good reflex with decidedly mixed results.

In the 80 years since World War I ended, the U.S. government has banned aid, trade or other commerce with sanctioned nations 115 times. Remarkably, 61 of those actions have been taken during the last five years.

In 1997, the President's Export Council reported, U.S. sanctions were on the books against countries with more than half the world's population. The tool continues to grow in popularity.

One measure, the Freedom From Religious Persecution Act that was approved by the House of Representatives last month, could curb trade with as many as 75 countries, according to the findings of the latest State Department report on human rights abuses.

Sanctions are imposed, almost always, in pursuit of some highly valued principle, whether it be stopping terrorism, slowing the spread of nuclear weapons, halting the drug trade or defending civil liberties.

The problem is that unilateral sanctions rarely work; indeed, they often have the effects of hamstringing U.S. diplomacy and antagonizing allies. Too frequently, American companies are shut out of markets others are happy to occupy; too often, the impact is felt by an oppressed population, not by smug, insulated rulers.

The sanctions are commonly imposed by statute, with varying degrees of discretion for the president to apply them. Mr. Lugar says they have become foreign policy-making on the cheap.

"At first," he told me, "there was a feeling on Capitol Hill the administration was not very focused on foreign policy, so everyone felt free to play."

"We have a good number of members who do not want to use the military anywhere," he added. "Sanctions are a way of having your cake and eating it, too. You make a statement, and it appears to be cost-free."

The Washington Post



They always say that if you dig a hole deep enough you get to China.

Doomsday Techies Bit by the Bug

By Douglas Rushkoff

NEW YORK — "They'll come at night — especially if you've got an electric lamp glowing somewhere, a dead giveaway," warned one member of an on-line survivalist conference.

"I've got an order in on a 500-gallon water tank," explained another. "I'll give you the URL."

"Won't a tank that large be visible from the road?" asked the first.

"No, I'll be keeping it underground."

I had intended to spend the week finishing research for a

MEANWHILE

column about the millennium bug — that software and hardware glitch that will prevent computers from recognizing the year 2000.

But a vast majority of the information and speculation I found had little to do with fixing the problem. Most people appear more concerned with surviving an inevitable crisis of biblical proportions, by any means necessary.

Although apocalypse fans have always looked for any excuse to expect the worst, the millennium bug has provoked a great deal of doomsday scenario planning from otherwise sane people. This time, they have a technological rationale for their rantings.

The millennium bug does pose

two distinct threats. Many operating systems and programs, from the Cobol code running giant databases to most copies of Quicken in use today, cannot calculate four-digit dates. The year 2000 will appear simply as "00," leading the program to treat any post-millennial date as a repeat of the 1900s.

While engineers are busily combing key software — like the programs running banks and stock exchanges — for such problems, the likelihood that they will find and correct every line of code within the next 20 months is remote.

Even if they do, there is another potential problem: embedded chips. Unlike software, the microchips running everything from nuclear power plants to oil rigs cannot be rewritten. Like the chip inside your VCR or microwave, these devices are not accessible, and their commands are burned in.

The only way to update a non-compliant power plant or robot-filled car factory floor is to determine which chips will malfunction and then replace each one.

In the case of an offshore refinery, it means sending divers hundreds of feet under the ocean surface. And there is disagreement about whether most of these chips use date functions at all.

The CIA has accepted the fact that there will be numerous failures of such systems around the world. But instead of focusing on the technological side of the crisis, the CIA is collecting data on what their Y2K chief calls the "social, political and economic tumult" that could result. That is, it is evaluating individual societies to determine how disruptions in electric power, banking and other services might affect them.

The CIA predicts that newly developed nations, like those in Asia and Latin America, will be the hardest hit.

While the United States, Britain and Australia have had enough time to head off the worst disruptions, as well as having a fairly stable social fabric, many other nations that only recently adopted computer technology do not have the money to invest in diagnosing all their systems or the political climate to ensure public safety.

But many Americans, who have always had something of a penchant for bomb shelters and militia compounds, are busy preparing for the temporary paralysis.

In his new book, "Strategic Re-

location: North American Guide to Safe Places," Joel Skousen, a security consultant, outlines instructions for storing food, creating alternative power and building secret hiding places and storage facilities to thwart hostile intruders and hungry neighbors.

Unlike Mr. Skousen, who believes that neighborhood support groups and food cooperatives would crumble under the pressures of a real crisis, a number of more community-minded survivalists are already developing "safe haven" real estate.

In South Dakota, Colorado and Virginia, several companies are offering leases on plots of land in year-2000 collectives, all with access to private generators, fresh water and farmland. We can only imagine the measures that will be taken to defend such installations.

In truth, the Y2K crisis — if there is one — will probably be fueled more by this sort of panic than by lapses in technology.

Even if the banking system were to shut down for a week, most people could survive on what they have. An extra trip or two to the cash machine before New Year's Eve is all it would take.

But the fear of such a disruption could easily lead to a rush on the banks. Likewise, the hoarding of water, gasoline and other resources would lead to far worse calamity than a day or two of scattered power outages.

The real opportunity here is to resist the temptation to withdraw, not from banks but from society.

Although technology has fostered a vast set of interdependencies, a disruption to the system need not send us running to the hills. We could much more easily educate the public about the potential risks to business-as-usual, and help one another prepare for a few days of inconvenience.

Ironically, those preparing for — and, I would argue, fostering — an apocalyptic scenario are the very people who understand enough about technology to help us prepare for the coming crisis. Unfortunately, they do not understand enough about people to engineer a cooperative, instead of a mercenary, style of social management.

In a sense, the CIA has the right idea. This is not about computer programming at all, but about the real values infusing what we like to think of as our civil society.

With any luck, we will come to understand that there is more to survival than meets the "I."

New York Times Special Features

LETTERS TO THE EDITOR

World Cup Watchdogs

Regarding "Don't Bet on U.S. Soccer," June 20:

The article highlights John Vinocur's lack of knowledge of how far soccer has progressed in the United States. Eighteen million people there now play organized soccer — town teams and Little League teams. In my home county in New York state, 23 out of 27 high schools play soccer instead of football.

I have lived in Germany for 24 years and have coached a soccer team in my town to four championships in seven years. Ripping a team apart when it loses is not an American trait but more of a German one.

Hiring overpaid Europeans to play in the United States will not help the sport. That was done with Franz Beckenbauer after Pele retired, and that was a giant flop.

MARK SMITH, Alzenau, Germany.

Soccer probably will never amount to more than a club sport in the United States because we already play a game involving "patience and endurance, nuanced pleasures and low scores." It is called baseball.

TOM BRAMAN, Brussels.

Regarding "Overrated U.S. Team Leaves a Bitter Lesson," June 17:

Since when does the United States not play to win? Tab Ramos's quote about the U.S. loss to Germany stung worse than the loss itself.

JASON HACKWORTH, Milan.

As a Briton, I would like to apologize to the French people for the shameful behavior of my countrymen and the devastation these thugs have caused to their country and to Marseille.

SARAH J. SHERBROOKE, Dhahran, Saudi Arabia.

Regarding "Why Some Refer to Trip on Rough Tackling Rules," June 19:

The tone of the article suggests that African and other non-European players who got yellow or red cards deserved them because of crude tackles, while the other teams were only unfortunate to get such cards.

The most offensive part is: "If the Cameroonians always play like this at home, how is it they have 22 fit players to form a World Cup squad?"

"Perhaps the answer is that, although they may earn a living in European leagues, for much of their lives, like many in hot countries, they often play in bare feet. The sole of a bare foot, even one not used to shoes, inflicts little damage."

One would have thought that such stereotypes were a thing of the past.

WILLIE CHATSIKA, Geneva.

BOOKS

LOVES THAT BIND

By Julian Rios. Translated by Edith Grossman. 244 pages. \$23. Alfred A. Knopf.

Reviewed by Michiko Kakutani

THE premise of this new novel by Julian Rios is an ingenious one: A man who has been abandoned by his girlfriend writes her a series of 26 letters about the "other women" in his life as he wanders about the city of London, looking for his lost love. Each of these women bears more than a passing resemblance to a famous literary heroine, from Froust's *Madeline* to Raymond Queneau's *Zazie*, and each is memorialized by Rios's narrator in a manner meant to recall the style of the original author. It's a premise that promises the reader a postmodern send-up of the gaps and overlaps of literature and life, as well as some entertaining literary "high jinks: what you might get if you commissioned Queneau and Donald Barthelme to rewrite "Don Quixote" and "A Portrait of the Artist as a Young Man."

Unfortunately, Rios does not deliver on the enormous potential of his idea. Though

"Loves That Bind" has moments of real cleverness and sleight of hand, it is largely a paint-by-numbers performance, lacking the sort of sustained literary ardor that might have turned it from an experimental curiosity into a tour de force. As a result, the reader is left to focus on the more puzzling aspects of the novel — trying to figure out the identity of each of the 26 unnamed women, and trying to piece together the story behind the narrator's breakup with his girlfriend.

Many of the literary heroines the narrator claims to have loved or bedded are immediately recognizable. D. for instance, is obviously Daisy from Fitzgerald's *"Great Gatsby"*, a pretty Southern belle with the sound of money in her voice, an East Egg beauty married to an athletic hunk and courted by a lovelorn millionaire. L. is clearly Lolita, an "apprentice stalker," "Lovely" in her pink miniskirt, preserved "as she was and forever will be" in the narrator's memory. And S must be Sally Bowles from Isherwood's *"Berlin Stories"* — the English chanteuse with bright green nails and a string of lovers.

Others are somewhat harder

to identify. B is Bonadea from Robert Musil's *"Man Without Qualities"*, an unhappily married woman whose nymphomania encourages her to lead a double life. F is Florence Dowell from Ford Madox Ford's *"Good Soldier"*, an expatriate American who tells her husband she is suffering from a heart condition, even as she embarks on a lengthy affair with a handsome Englishman. And H is Hermine from Hermann Hesse's *"Steppenwolf"*, a strange young woman who wants to make the hero love her so much that he will agree to kill her.

As this selection of literary heroines indicates, Rios's narrator fixates on women who are manipulative, disturbed or simply incapable of being faithful to a single man. Although the narrator's feelings will undergo a gradual shift as the book nears its close — by the letter Y, he has begun to recognize his own shortcomings, identifying with the "stupid goatish pride" of the alcoholic consul in *"Under the Volcano"* — he tends to focus on the same unsavory aspects of woman-kind in letter after letter. A rich gallery of literary heroines, consequently, is reduced to a surprisingly narrow spectrum of stereotypes: women as faithless sluts, women as scheming man-killers, women as self-pitying doormats.

These portraits are clearly meant to reflect the narrator's state of mind as he pines for his lost girlfriend, but they make for a predictable and monochromatic story. Rios does little to use his narrative setup to explore the disparity between his book-obsessed hero's experience of life through art and his actual experiences in the real world.

and he does even less to make us care about his hero's efforts to recapture his errant girlfriend. The few bits of information we are given about the pair are not enough to loft them out of that limbo of generic ill-fated lovers.

As for the narrator's worries about his ex's safety — he worries that she will be killed by a bomb, a terrorist, a freak accident — they are supposedly meant to reflect his gloomy state of mind, if not articulate his subconscious desire for revenge. They are reiterated so many times, however, and reiterated in such a plodding fashion that they ultimately undermine the story's already pallid suspense.

Matters are not helped by the dubious quality of many of Rios's literary impersonations. Some of his chapters read like little more than flat-footed pastiches of the original author's work. Others read like misconceived — or very poorly executed — parodies. Rios's Faulkner sounds like a run-of-the-mill Gothic writer from the South: "There is no old Southern family without tares blighting its Tara and its bloodline." His Joyce sounds an awful lot like Henry Miller on speed: "her fervent lover from Playboylandia baptized Hugh in the holy land of Hibernia though never did he let her hibernate but had to fomite when it was almost time for the fulllight."

Although some subtleties may have been lost in translation from the Spanish, Rios quite plainly has a tin ear for language and location — a fatal flaw, it turns out, for a book constructed around the idea of literary mimicry and improvisation.

New York Times Service

BEST SELLERS

The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on the list are not necessarily consecutive.

FICTION

Rank	Title	Author	Weeks on list
1	THE WIDOW FOR ONE YEAR	by John Irving	16
2	CITIES OF THE PLAIN	by Cormac McCarthy	5
3	SECRET PREY	by John Sandford	6
4	YOU BELONG TO ME	by Mary Higgins Clark	3
5	OH, THE PLACES YOU'LL GO	by Dr. Seuss	10
6	"N" IS FOR NOOSE	by Sue Grafton	2
7	MESSAGE IN A BOTTLE	by Nicholas Sparks	7
8	SUMMER SISTERS	by Judy Blume	8
9	THE STREET LAWYER	by John Grisham	9
10	BLACK AND BLUE	by Charles Frazier	4
11	COLD MOUNTAIN	by Charles Frazier	12
12	MEMOIRS OF A GEEK	by Arthur Golden	11
13	A NIGHT WITHOUT ARMOR	by Jewel Kicher	16
14	THE LAST FULL MEASURE	by Danielle Steel	1
15	BRICKER JONES'S DIARY	by Helen Fielding	1
16	TUESDAYS WITH MORRIE	by Mitch Albom	1
17	A FIFTY	by Jimmy Buffet	1

3	WE ARE OUR MOTHERS DAUGHTERS	by Cole Robert	2
4	TITAN	by Ron Chernow	4
5	THE MAN WHO LISTENS TO HORSES	by Henry Robert	3
6	A WALK IN THE WOODS	by Bill Bryson	2
7	THE GIFT OF THE JEWS	by Thomas Cahill	5
8	ANGEL'S ASHES	by Frank McCourt	7
9	A MONK SWIMMING	by Malachy McCourt	1
10	THE MILLIONAIRE NEXT DOOR	by Thomas J. Stanley and William D. Danko	8
11	STILL ME	by Christopher Paul Smith	6
12	CONVERSATIONS WITH GOD: Book 1	by Neale Donald Walsch	10
13	MIDWINTER IN THE GARDEN OF GOOD AND EVIL	by John Grisham	11
14	TALKING TO HEAVEN	by James Van Praagh	9
15	UNDERSTANDING NEW'S PASSAGES	by Gail Sheehy	1
16	ADVICE, HOW-TO AND MISCELLANEOUS		
17	EIGHT WEEKS TO OPTIMUM HEALTH	by Andrew Weil	28
18	SUGAR BUSTERS	by H. Leighton Steward et al.	2
19	THE 9 STEPS TO FINANCIAL FREEDOM	by Sue O'Brien	4
20	IN THE MEANTIME	by Yaela Vazani	1

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Herald Tribune

THE WORLD'S DAILY NEWSPAPER

Steven Soderbergh Shifts Gears, Into the Mainstream

By Jamie Diamond
New York Times Service

LOS ANGELES — Steven Soderbergh's career looks as if it has been happening in reverse. In 1989, with "Sex, Lies and Videotape," he became the youngest director to win the top prize at the Cannes film festival. He was 26. Rolling Stone magazine described him as "a cross between Steven Spielberg and Woody Allen."

On the strength of his astute account of ennuie among young professionals — a first feature that turned out to be a critical and commercial success — he was positioned to have access to big studios, big stars and big budgets.

Instead, Soderbergh decided to make bleaker films aimed at more limited audiences. From a position of power, he made the bold decision to work small. First there was "Kafka" (1991) with Jeremy Irons, a black-and-white allegory that appeared to have been shot primarily in the bowels of a Czech insane asylum. It grossed \$904,000. Then came "King of the Hill" (1993), based on A.E. Hotchner's memoir about being abandoned by his parents during the Depression. It grossed \$1.3 million.

People clamored for sex or lies or videotape. And they got a little of the first in "Underneath" (1994), a noir

character study that thudded soundlessly at the box office. Soderbergh's last two movies, "Schizopolis" (1996) and "Gray's Anatomy" (1997), had budgets of \$250,000 and \$350,000 and looked like experimental first films.

Now, at 35, after five well-made flops, Soderbergh has returned with "Out of Sight," an upbeat romantic film starring George Clooney and Jennifer Lopez. Did something change his mind?

"Yes," he said at his production office in Hollywood. "I had a bad case of my 20s, of being overly serious. And now I feel better at my job than I was."

He paused. "I'm so lucky. I mean I got this job on the heels of five bombs in a row. How many people get that?"

He doesn't believe, however, that the studio in question, Universal, simply jettisoned its business sense. "They were tiny bombs," he explained, "so I don't think they were held against me personally. Nobody expected them to be blockbusters and then said, 'Oh, what a disaster!'"

With "Out of Sight," Soderbergh has come up with something no one would have expected from him: a film that has a good chance to appeal to public taste and still be idiosyncratic.

"People don't have to pick one or the other," he contended. "You can have a film like 'Out of Sight' that operates perfectly well on a mass-entertainment

level and also has quirky, interesting cinematic elements to engage the members of the audience who are looking below the surface."

Clooney has a different interpretation. "I think Steven's defensive," he said. "He's reluctant to be a successful director, and that's why he stayed independent so long when studios were trying to lure him away. There's a part of him that still wants to be Steven Soderbergh from Baton Rouge who does what he wants and doesn't have to answer to anybody. But it's a fear any independent director has: that early on they're edgy but when they get fat and happy, the edge goes away."

In any case, it seems a big leap for a director in tune with angst-ridden protagonists and the sensibilities of Kafka to be attracted to a people-pleaser like "Out of Sight," which was adapted from the Elmore Leonard novel of the same name. Some observers may even think that the holdout has sold out — an implication that does not please Soderbergh.

"People assume they know what it means for a director to be true to himself, which they don't," he said. "America has no shortage of auteurs. What we have is a shortage of films being made by really smart filmmakers that open in 4,000 theaters. I don't understand why a filmmaker should be penalized for working in the mainstream."

Moments after escaping from prison, Jack Foley (Clooney), the convict of "Out of Sight," runs smack into Karen Sisco (Lopez), a federal marshal who's pointing a gun at him. Because this is a movie, the marshal is wearing high heels and a Chanel suit whose skirt is slit up to the thigh, and the convict is an amiable guy who robs banks armed with only charm and the blinding white light reflected from his perfect teeth. The convict takes the marshal hostage, and audiences are asked to believe that she falls in love with him — as they are locked together inside a car trunk.

"Sure, it's a preposterous start, but it's any more preposterous than, say, a lizard eating New York," Clooney asked. "That's why you need a director as dry and subtle as Steven."

It appealed to Soderbergh that the plot was fueled by the pursuit of passion, by love at first sight, by the very opposite of disconnection. "Jack Foley is the first nondetached, nonself-reflective protagonist in anything I've made," he said. "I was ready to do a picture in which the characters acted on their feelings instead of their thoughts."

What made him ready was a sequence of events that started with a loss of confidence he experienced while directing "Underneath." In 1994, this was about the time that he was going through a divorce with the actress Betsy Brantley, with whom he has a 7-year-old daughter, Sarah. It was to rekindle his enthusiasm for directing that he moved back to the starting line and created the jagged "Schizopolis," which several

critics described as a "linguistic experiment," and the expressionistic "Gray's Anatomy."

"I decided to reaffirm my status as an amateur and recapture some of the excitement amateurs have," he said. "I had to reinvent myself and 'Gray,' I could not have made 'Out of Sight.'"

Reinvigorated or not, Soderbergh was silent for more than a moment after he was asked how close he felt to his new up-tempo movie.

"It's hard to decide if I feel close to it because it has significant meaning for me or because I had a good time making it," he said. "But if you sat me down and put all my other films in front of me, I'd rather not visit that world now. This one is more fun."

Tapping the Audiences of 2008

By Anthony Tommasini
New York Times Service

NEW YORK — In the continuing debate over the reasons for the dwindling of classical music audiences, the managers of opera companies and orchestras get a bad rap. Or so says Paul Kellogg, general and artistic director of the New York City Opera.

For sure, many managers are fairly perceived as willing kowtowers to the bottom line, eager to placate their worried boards and wealthy patrons by presenting tried-and-true repertoires that the most loyal segments of their audiences supposedly want. But others, Kellogg says, are adventurous souls at heart, closet radicals who would love to try new works, take chances and challenge their audiences, but are understandably afraid to take a risk.

In his own career, Kellogg, 60, has taken more risks than most, emboldened by his belief in untapped audiences. He sees opera as a young, hip, hipster type, because arts education in the schools is so lacking, have no vested interest in the classics and might be willing to try something new, or even something old and unfamiliar but presented in a daring new form. If only they could be reached.

Reflecting recently on his two completed seasons at the helm of the New York City Opera, Kellogg talked with messianic fervor about that untapped audience.

"People are out there who don't know Puccini's 'Bohème' from Britten's 'Paul Bunyan,'" he said. "And they're just as likely to come to the Britten, if they think that it will be fresh and intriguing." These are the people who, in other areas, Kellogg added, first gravitate to new movies, new pop groups, new plays, before looking to the past. "And I think I'm reaching them."

Evidence to support his hunch is hard to come by. How do you survey



Paul Kellogg, City Opera's director.

hipness? And the hard numbers, though encouraging, are not conclusive. For example, by advertising in campus publications, the company alerted college students to a discount allowing them to buy advance tickets at rush-seat prices: \$10. In the 1996-97 season, the company sold 2,460 student discount tickets; this season the number jumped to 11,685. Impressive, yes. But with a total of 115 performances in the 2,700-seat New York State Theatre, that means potentially more than 310,000 seats are available.

"I'm willing to lose money on student discounts in 1998," Kellogg said. "In order to build an audience for 2008." In a way, his anecdotal evidence is almost more convincing. "I see far more younger, more casually dressed people, and college-age couples on big dates all dressed up the way they think you should for opera," he said. "It's very noticeable, and you would not have seen that 10 years ago."

Kellogg is no lone idealist. The con-

viction that new audiences are waiting to be tapped and that new repertoire is one way to tap them also drives Michael Tilson Thomas, the charismatic conductor of the San Francisco Symphony. Thomas's programs, while fully attentive to the classics, are notable for their high quotient of recent works, American music and neglected 20th-century repertoire. Audiences there are getting younger, said Peter Pastreich, the orchestra's executive director.

Pastreich was not surprised by the results of a survey this season that compared single-ticket buyers, who tend to be last-minute purchasers, with subscription holders, for whom symphony-going is a habit. Some 35 percent of single-ticket holders were in the 25-to-35 age bracket (compared with 5 percent of regular subscribers), and 25 percent of single-ticket holders were in the 36-to-44 age bracket (compared with 14 percent of subscribers).

"This is not scientific proof," Pastreich said. "But younger people are buying single tickets and showing up. Of course, part of this has to do with Michael Tilson Thomas himself. Younger people identify with his dynamism and sex appeal. They trust his programming and have figured out that something hip is going on here."

EMBLEMATIC of what Kellogg wants to accomplish was the recent "Paul Bunyan."

This production, imaginatively directed by Mark Lamos, originated in 1995 at the Glimmerglass Opera, the summer festival in Cooperstown, New York, that Kellogg founded in 1975.

For its five performances at City Opera, "Paul Bunyan" played to 70 percent capacity. This compares with, say, the ever-popular "Carmen," which had nine performances at 88 percent capacity. But Kellogg emphasized, before he arrived, contemporary works attracted houses of 45 percent to at most 65 percent.



Martin Jarvis, Ian McDiarmid and Tony Britton in "The Doctor's Dilemma" at the Almeida.

Shaw's Life-or-Death 'Dilemma'

By Sheridan Morley
International Herald Tribune

LONDON — Almost half a century after his death, this is proving a vintage season for George Bernard Shaw. First a classic revival by the Peter Hall company at the Piccadilly Theatre, and now a no less brilliant return to "The Doctor's Dilemma" at the Almeida. Both plays remain almost alarmingly topical, the first in its treatment of poverty and warfare, and the second in its discussion of medical ethics, specifically whether any doctor has the right to decide who shall live and who shall die.

Both are essentially conversation pieces, but one of the dilemmas of the "Dilemma" has always been its amazing lack of back into Victorian melodrama, with a willful genius of an artist dying on stage before our very eyes, and then a wonderful twist in the final scene, wherein an effectively murderous physician discovers that his romantic rival has, beyond the grave, had the last laugh after all.

Michael Grandage's new production, soon to go on national tour, has learned the first lesson of Shaw's medical lecture, which is that you need an all-star cast of surgeons to play it out. Thus we get Ian McDiarmid as Colenso Ridgeon, Bernard Horsfall as Cullen, Martin Jarvis as Cutler Walpole and Tony Britton as Bloomfield Bonington in what must be one of the starriest ensembles ever gathered even by that theater on its current wave of international triumphs.

Once you have the doctors assembled to decide on the life or death of Louis Dubedat, genius or charlatan depending on your view rather than Shaw's, you also have to deal with his ever-loving wife, enchantingly played by Victoria

Hamilton. Even here, though, Shaw leaves the verdict with us: Is she to be forgiven for whatever effort she has to make to save the life of her artist husband, or is she no less scheming than the rest of the double-faced ensemble?

As Dubedat, James Callis also pulls off a double, suspect for so much of the evening and then almost heartbreaking in the great dying speech about Velazquez and the precedence of art over life. Time and again, Shaw's genius here is to ask all the right questions and then, just when we start to think he has the answers, to pull the ground from under us and send us back to the beginning of the puzzle. So far from being as didactic as Shaw is usually accused of being, "The Doctor's Dilemma" lives on precisely because it is a play so very doubtful about the strongholds of middle-class morality.

At the Playhouse, we bid a sad farewell to Declan Donnellan's Cheek By Jowl touring company, which he has decided to mothball at precisely the time we need it most, what with the Royal Shakespeare Company still in financial and artistic trouble. Theatre de Complicite in America and almost nothing worthwhile on the road to keep regional theaters alive when they are in the gravest danger of closure.

Bu Cheek By Jowl goes out on a high, with "Much Ado About Nothing," a characteristically joyous revamp of a familiar play, full of new bisexual suggestions about some of its principal characters. Donnellan and his designer-partner Nick Ormerod have made of a difficult, constantly twisting and turning text a wondrously funny and wise comedy that stars Matthew Macfadyen as a laid-back Benedick, Bohdan Poryas as an unusually gay Claudio and Saskia Reeves

as a feisty, feminist and ultimately murderous Beatrice. Set at the turn of the century, this is precisely the kind of production that the RSC now seems to find so elusive, and as Donnellan goes on to "Le Cid" for Avignon and then a "Boris Godunov" in Moscow, we shall sorely miss Cheek By Jowl's ever quirky, unexpected, irreverent reworkings of the Bard and the sheer exhilaration that floods through the theater as we join the debate about love and death and fidelity and sexuality that lies at the center of this black comedy.

And finally, though I should have learned my lesson from the dozens of you who wrote to me when I disliked "Art,"

informing me that not only was Yasmina Reza a great dramatist but also one sensible enough to keep her plays short enough to enable one to get to a decent restaurant and home before bedtime, I have to say for her new "The Unexpected Man" (at the Duchess Theatre, transferring from the Barbican) either, again briskly translated from French by Christopher Hampton and directed by Matthew Warchus, with another all-star cast, this time consisting in its entirety of Michael Gambon and Eileen Atkins, this is still shorter than "Art" and concerns a brief encounter between a world-famous novelist and one of his most devoted fans, talking to themselves in a series of intercut, connected monologues. Both have lost loved ones and to some extent their way in life, which is perhaps why they are on a train from Paris to Frankfurt.

Once again, though, it seems to me that we have, as with "Art," more of an event than a play, albeit one also destined to become the snob hit of the season in as many capitals around the world.

The 2 Lives of Eddie Henderson

By Mike Zwerin
International Herald Tribune

PARIS — Eddie Henderson was 9 and was practicing scales on his trumpet one day when Louis Armstrong came by to visit his folks. Satchmo taught the kid a few tricks.

By the time he came around again a year or so later, Eddie was playing "The Flight of the Bumble Bee." Armstrong was so impressed that he fell backward into a chair, laughing. Exclaiming some version of "that's some of the baddest stuff I ever heard," he dedicated a copy of a transcribed collection of his solos: "To little Eddie. You sure sound good. This is to warm your chops up." Henderson still has the book.

His mother was in the original Cotton Club Revue in Harlem, billed with her twin sister as the Brown Twins, and she was Bill (Bojangles) Robinson's dancing partner. His father, Billy Williams, led a group called The Char-o-grams. As a child, Henderson thought celebrities like Armstrong, Duke Ellington and Fats Waller, who would visit his parents when they were in New York, were "just normal people."

Do not confuse Eddie Henderson with (no relation) notables with the same surname, like Fletcher, Horace and Joe. Musically, Eddie combines an unmistakable personality with, at the age of 37, an unusual supply of vim and vigor. And biographically his is not exactly a "normal" tale. At first he'd wanted to play the clarinet, but his school only had violins and accordions. He said "the heck with that stuff." His mother's brother owned a trumpet.

His father died, and when his mother married a doctor in San Francisco some years later, they moved out west. His stepfather had many musician patients. Miles Davis among them. The patients were often houseguests. Miles asked Eddie what he wanted to do in life. "I play the trumpet," he answered. Miles lay back and looked him over. "I bet you do," he said.

When he was 18, Miles took him to a concert. It was the band with Coltrane, Cannonball, Philly Joe Jones, Paul Chambers and Wynton Kelly. Henderson had never heard "the real deal" up close like that.

Then he learned the trumpet solos on "Sketches of Spain" and "Kind of



Eddie Henderson: "I want to express... me, myself."

Blue," playing them by ear along with the records, and by the time Miles returned to San Francisco, he knew them by heart. "How did you like that?" the cocky teenager asked after not missing a note. Miles looked at him and said: "You sound good. But that's me."

It was like being hit on the head by a baseball bat. All of a sudden, he knew the meaning of playing duets, and he had not even started yet. His stepfather influenced him to study medicine.

After undergraduate work at the University of California at Berkeley, he went on to medical school at Howard University in Washington, following that with a residency in psychiatry. While studying at Howard, he would run up to New York on weekends to talk trumpet and play with Freddie Hubbard and Lee Morgan. He only graduated from med school "by the grace of God."

"People ask me, 'How can you be a doctor and a musician at the same time?' It boils down to good study habits, organization, self-discipline and energy. I went to sleep at 5 and got up at 7. I was just 23, I never missed a class. Not one. You might say I was focused."

He played with Herbie Hancock and Art Blakey's Jazz Messengers but "the

money was funny" with the latter so he quit and moved back to San Francisco. He practiced medicine for 10 years in this little clinic a surgeon friend of his ran: "It was like four hours a day. I could come and go as I wanted when I had a gig or a tour."

There is only a smidgeon of a smile as he says: "A money-keeper could be a doctor. I'm not kidding. You just have to go to school. But I also have a personality. I'm not just a doctor. I am an individual. I want to express... me, myself. You cannot learn that in school. Music was always my main thing."

"You know that old adage? 'Physician, heal thyself.' How can I help anybody else unless I'm cool with myself? And music is what cools me out. When I had a chance to go with Herbie Hancock, I said 'Yeah!' There was no question in my mind, no hesitation: 'I'm going. Right away.'"

He never practiced psychiatry as a specialty. "That's like doing construction work. It's emotionally and physically depleting. But I did have a residency for awhile. I would ask patients, 'What seems to be wrong today?' and they'd say, 'Well, you're the doctor. You tell me.' They played all those mind games."

Basically, I just wanted people to come in and say 'ah' and not bother me. I didn't have any time for head trips. Everybody in San Francisco knew I played music. People would come to my office and the nurse's aid would say: 'He's in the back practicing. He's got a gig tonight. Don't bother him. If his chops aren't right he's unhappy.' That's the kind of lifestyle I had."

Meanwhile, on the free-market end of the great wide world of jazz, Henderson was discussing Ferraris with Miles Davis. Miles owned one. He owned three ("I've never had trouble with bread"). Practicing medicine in his surgeon friend's clinic four hours a day while playing with people like Jackie McLean and Roy Haynes was "like a dream."

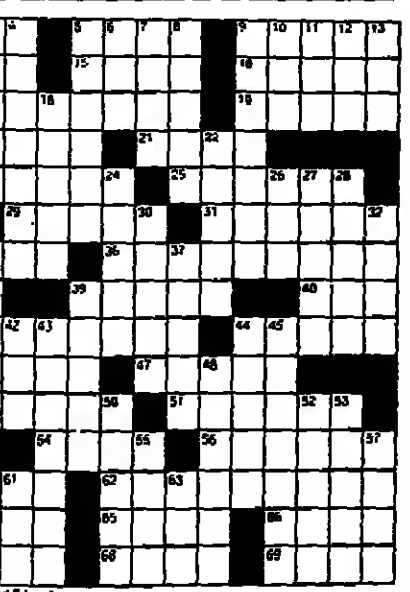
He has just finished a Gershwin recording with Hancock and next month he'll play for two weeks with Elvin Jones during the Umbria Jazz Festival in Perugia, Italy.

When people ask him: "Do you still practice, Eddie?" they mean medicine. But when he answers "Yeah, every day," he's talking about the trumpet.

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 - Headwind
 - Barrel parts
 - Lightweight hat
 - Bad bet
 - Wacky
 - Fastidious

- DOWN**
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 - Holders of many frames
 - Implied
 - Fords are made here
 - Pop goer
 - Taving letters
 - Pinto
 - Become, finally
 - Pepper
 - The time of one's life
 - Flock sound
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 - Shaking event
 - Pace No. 1 of 1978
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Puzzle by Richard Scharf

Solution to Puzzle of June 23

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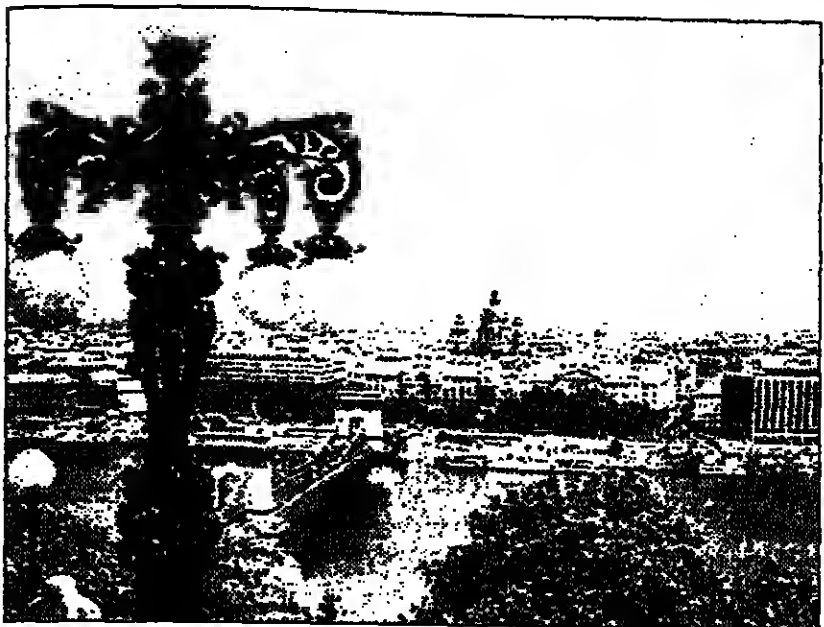
IN TOP 10 CEE COUNTRIES

are as of the end of 1997 (in billion \$)

Country	FDI
Germany	100
France	80
Italy	70
Spain	60
UK	50
Sweden	40
Denmark	30
Netherlands	20
Austria	10
Belgium	10

Source: OECD

EMERGING MARKETS IN CENTRAL AND EASTERN EUROPE



BROAD MUTUAL FUNDS ARE THE BEST BET

Investors are advised not to spend it all in one place, say those who follow the stock exchanges.

Investing in a single CEE company or country on a short-term basis can be a high-stakes, high-risk affair. Placing and keeping your capital in a broad-based mutual fund is a relatively safe bet, one likely to pay off in the long run.

That's the consensus of analysts following the CEE region's seven major stock exchanges. The first statement arises from the stock exchanges' growing number of "crash-and-burn" stories, in which the glowing prospects of high-flying "can't miss" turned out to be figments of investor enthusiasm.

The second statement is based on the "region with plenty of room to grow" theory. The theory runs like this: The CEE region's stock exchanges are currently underperforming by world standards.

Since the stock exchanges have fundamentals as good as — or even better than — many of their counterparts elsewhere, the exchanges' averages are bound to rise to "normal" levels sometime.

The most important of these fundamentals is the local stocks' extremely low price-earnings ratios. These, in turn, are partially the products of the good profitability of many companies within the region.

Adherents of the broad-based investment theory place their trust in another fundamental: \$105 billion. That's the total current market capitalization of the CEE countries. It comes to 21 percent of the countries' total GDP. Since this percentage is a tiny fraction of those found in Western countries, that figure, too, will no doubt adjust itself in the not-too-distant future.

The key question is, when? When will the good rates of economic growth that a number of CEE countries are consistently recording win back the West's institutional investors, who are now reluctant to invest in a region experiencing its share of political and economic turmoil? Fresh money from the investors would, of course, send the exchanges' averages soaring.

The answer seems to be, once the Russian crisis is over. Until then, stock market analysts have two pieces of advice for "outsiders" wishing to invest in the exchanges: buy now, since you are probably buying into the bottom of the market, and stay away from individual companies, unless they are verifiably the blues of the blue chips.

'WEBSTERS' LOOK EAST

Vienna's Web designers and providers want to meet their neighbors.

Vienna is expecting a dramatic fall in its unemployment rate, currently pegged at 8.8 percent by Austria's office of statistics. The number of positions available as of the beginning of May 1998 was 52 percent above the figure at the same time in 1997. The increase recorded in Vienna was twice that registered by Austria as a whole.

Where are these new jobs coming from?

"From the sectors in our business community supplying services, and particularly from the newly founded providers of telecommunications and Internet services," says Klaus Fischbacher, managing director of the Vienna Business Agency. "Both these areas have been creating high-end jobs at a tremendous pace."

The facts support this statement. The number of telecom providers headquartered in Vienna has grown from one to 13 in the past five years. The Internet sector has grown just as fast: there are now 23 companies in Vienna providing access to the Internet, according to the Vienna city government. Not bad for a city of 1.7 million inhabitants.

Today's providers supply much more than simple link-up services. Companies such as VIANET Austria GmbH, EDVg Online and Telecom.at set up and maintain e-commerce and other dedicated networks for their corporate clients, as well as intranets and extranets.

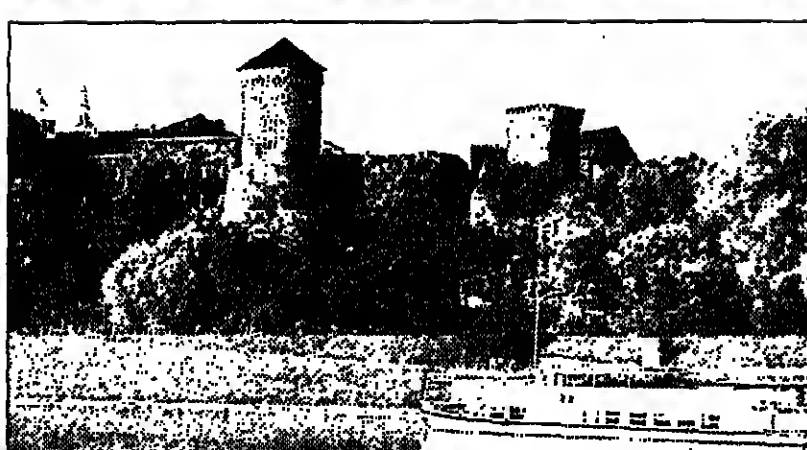
Most of these telecoms and Internet providers are recording rapid rates of mutually reinforcing growth. The growth in the number of telecom providers is drastically cutting the costs of voice and data communication and other services. This drop, in turn, has made using the Internet — once a relatively expensive proposition in Austria — very affordable. The result is an explosion in the use of the Web.

Vienna-minded

All of the providers, however, face a common hurdle: Their home market is finite and relatively small. Austria has 9 million inhabitants and 400,000 companies.

This problem is not shared by the country's Web agencies, however, of which there are 25 in Vienna. Bearing such whimsical names as "Pixelwings" and "NoFrontiere Design," the Web agencies are free to provide their Web site design and maintenance services to customers anywhere in Europe — and the world. And they have been doing just that.

Their corporate customers include some of the most famous names in Austria, Germany, Switzerland and



Budapest, Prague and Krakow (clockwise from top left) are favorite tourist destinations.

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Flying Low, the Ruffles No Fear

Canada Stays Calm About Inflation

By Alan ...

REGINA, Sask. — Inflation has become a national preoccupation. Across the country, from the Atlantic to the Pacific, Canadians are concerned about the rising cost of living. The government, however, remains calm, stating that inflation is a natural part of a growing economy and that it will take time to bring it under control.

The government's response to inflation has been to maintain a steady course, focusing on long-term economic growth rather than short-term fixes. It has implemented measures to control government spending and to encourage private investment, but it has avoided drastic measures such as wage and price controls.

Many Canadians, however, are feeling the pinch. The cost of food, housing, and transportation has risen significantly, and many are struggling to make ends meet. The government has introduced various programs to help low-income families, but these are often seen as杯水车薪 (a drop in the bucket).

Despite the concerns, the government remains confident that it can bring inflation under control without sacrificing economic growth. It believes that a strong economy will eventually lead to lower inflation, as businesses will have more incentive to keep prices low to attract customers.

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Flying Low, the Loonie Ruffles No Feathers

Canada Stays Calm About Its Dollar's Fall

By Anthony DePalma
New York Times Service

REGINA, Saskatchewan — It has become a regular, almost routine, occurrence: Another day, another record low for the Canadian dollar.

The recurring declines that have sent Canada's currency to one low after another since the beginning of this year might have caused a panic in many countries, especially in those jittery economic times when fluctuations in the Japanese yen or the Thai baht send shivers throughout the world.

But this is calm, collected Canada. Its currency was worth around 68 American cents on Tuesday, just above the record low, and it appears to be headed lower. Yet, despite the best attempts of chauvinist columnists and all-news radio stations to stir things up every time the Canadian dollar weakens, Canadians are acting as though pretty much nothing has happened.

Indeed, not only have most Canadians blandly tolerated the latest, relatively modest, decline of their dollar — popularly known as the "loonie" — because the dollar coin bears the image of a common loon on one side — some are even cheering the currency's steady fall.

"Every time I see the loonie fall I think 'Yes! All Right!'" said Jack Degelman, a manufacturer and exporter of farm equipment in Regina, Saskat-

chewan. "Having a lousy dollar definitely helps us out."

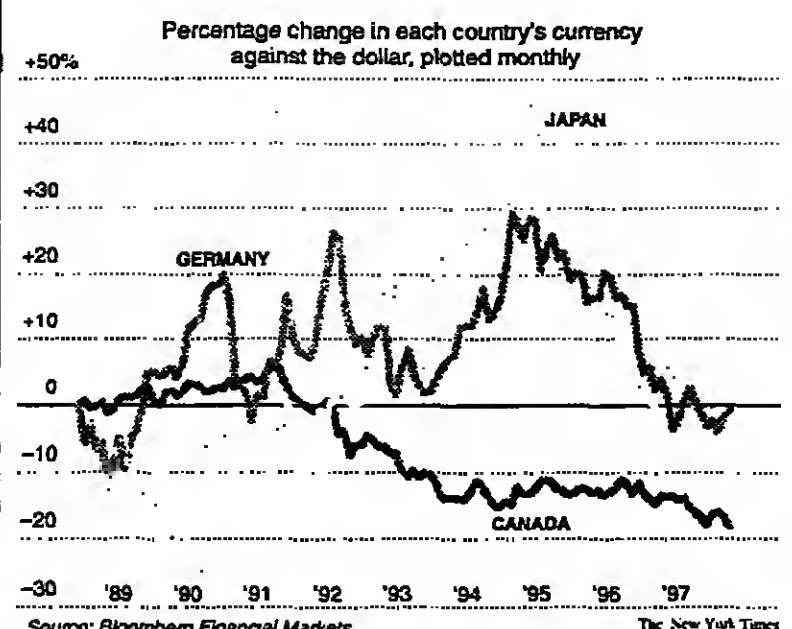
A lousy Canadian dollar makes products like the rock pickers produced by Degelman Industries Ltd. cheaper for buyers with American dollars, and Mr. Degelman's sales have been on the rise. Since more than 80 percent of Canadian exports go to the United States, the lopsided exchange rate helps lift the entire manufacturing and export sector.

That has given Ottawa a big reason not to do much to keep the loonie from sinking. Besides, the overall Canadian economy continues to be strong, with low inflation, attractive growth and the first balanced budget in decades.

But while exporters may laud the currency's depreciation — and record numbers of American tourists discover how much further their dollars can go north of the border — plenty of Canadians are feeling some pain.

Even with slight improvements that have, at least for now, pushed the loonie back up over 68 cents, importers have watched their profit margins shrink drastically. Canadians who usually flock to Florida and other warm spots in the United States are cutting their trips short or flying directly to Mexico, where the Canadian dollar continues to hold its own against the peso. The Toronto Blue Jays baseball team, with its \$50-million payroll in American dollars, buys greenbacks months in advance as a safe-

Canada's currency has fallen more than currencies of other industrialized countries. But the country is not panicking because its economy is otherwise relatively healthy.



guard against further currency shocks.

Despite the depreciation, prices have not yet increased substantially for all the imported food, clothing and other items that Canadians buy every day. But business is warning consumers to be prepared.

"Canada is a big importing nation," said Robert Armstrong, president of the Canadian Importers Association, an industry group. "Apparel, footwear, appliances, electronic goods, foodstuffs — we're all going to have to pay a

higher price this winter." Mr. Armstrong said that the federal government had not acted to arrest the dollar's slide because it was focusing almost entirely on the export part of the economy without taking into account how badly the rest of Canada was hurting.

"We can't cope with a dollar this low," he said. "It's not good for the country."

But his pleas are falling on mostly

See CANADA, Page 16

A Microsoft Victory, But Big Case Looms

Firm May Sell Browser With Windows 95

By Mitchell Martin
International Herald Tribune

NEW YORK — Microsoft Corp. won a round in its antitrust battle with the U.S. government on Tuesday when an appeals court said it could sell its Internet Explorer program as part of its Windows 95 operating system.

The Court of Appeals for the District of Columbia also removed the special master appointed to gather information in the case, saying the issue was not technologically complex. Microsoft has complained that the master, Lawrence Lessig, a Harvard University law professor, is biased against it, but the appeals court did not take that into account.

Microsoft's stock rose more than 4 percent on the news, closing \$4.9375 higher at \$100.75. But analysts said a more recent set of legal actions filed by the federal government, 20 states and the District of Columbia was a bigger challenge to the software company's aggressive corporate practices. That case also will affect Windows 98, the company's updated operating system.

Because its operating systems are used on about 90 percent of the personal computers sold, Microsoft has come under scrutiny for practices that seem designed to take advantage of its commanding position to control other software-related fields.

"This whole issue with Microsoft has

moved well beyond the browser," said David Cearley, senior vice president of Meta Group Inc., a research organization in Stamford, Connecticut. "The focus is Microsoft's overall business practices, their licensing practices, and the way they tie many of their products together both technically and from a marketing/licensing aspect."

The ruling on Tuesday concerned a case brought last year by the government that contended Microsoft violated a 1995 consent decree with the Justice Department by requiring computer makers to load its Internet Explorer browsing software if they licensed its Windows 95 operating system.

Microsoft said the agreement allowed it to improve its products by integrating new functions and that Explorer was not a separate product.

On Dec. 11, the district-court judge hearing the case, Thomas Penfield Jackson, granted a preliminary injunction that forced Microsoft to stop bundling Explorer with Windows 95.

The appeals court said Tuesday that this injunction had been granted "without adequate notice" to Microsoft and had been based "on an erroneous reading" of the consent decree. It also criticized the appointment of a special master as "a clear abuse of discretion or an exercise of wholly nonexistent discretion," saying the words of the consent decree "are in plain English."

Kevin Fogarty, technical services editor of Computer World magazine in Framingham, Massachusetts, said the Justice Department had been pursuing "a weak line" of reasoning. He said the suits filed on May 18 by the department and the states, had a better chance of succeeding because they were pursuing other actions, such as Microsoft allegedly pressing Internet service providers to give customers Explorer instead of the competing Netscape Navigator browser.

Mr. Cearley said there were "cases in point" of Microsoft pursuing aggressive practices. Nonetheless, Erin Brewer, a Microsoft spokeswoman, said the ruling supplied ammunition for the company's defense because part of the new legal actions were "based on the same argument that Internet Explorer is separate from Windows."

Tokyo Fine-Tunes a 'Total Plan' on Bank Reform to Calm Markets

By Sheryl WuDunn
New York Times Service

TOKYO — The Japanese finance minister tried to calm the markets Tuesday and avert a further sell-off in the shares of a weakened Japanese bank, as the government moved a step closer to setting up a special institution that could help restructure failed banks.

The nation's leaders are frantically working out the details of a grand scheme, called the Total Plan, to tackle the nation's \$600 billion in bad and doubtful loans. The plan has taken on a

special urgency now because of news reports that one of Japan's 19 largest financial institutions is in financial trouble, and the market has driven its stock down by more than 60 percent in the last couple of weeks.

The Long-Term Credit Bank is reportedly looking for a rescue merger to help stabilize its business, which has been attacked in recent weeks after reports that it was having difficulty in meeting funding requirements. The bank has denied all the reports, as well as accounts of various merger discussions, but it said Tuesday that it was

seriously working on a plan to restructure its business.

Government leaders voiced assurances that depositors, counterparties and holders of the bank's debt instruments would not suffer losses.

"Generally speaking, the government has never changed its will to fulfill the commitment to fully protect interbank transactions as well as deposits," said Finance Minister Hikoichi Masuoka. "I hope depositors and investors feel assured about their assets."

The interbank market, in which banks borrow and lend among each other on an

overnight basis, is the lifeblood of the financial market, and one of the greatest fears of a weak bank is that it gets shut out of borrowing in this market. On Tuesday, the Bank of Japan poured about \$3 billion into the money market, creating an overall surplus of funds worth \$8.8 billion, according to the evening edition of the Nihon Keizai Shimbun, the leading economic daily.

Long-Term Credit's stock price fell to a record low of 62 yen Monday, from over 200 just a couple of weeks ago. On Tuesday, it was the most heavily traded stock, closing at 71 yen.

Stocks fell Tuesday across Asia, led by Japan and South Korea, as investors showed they were unimpressed with government efforts across the region to ward off recession. Bloomberg News reported, Japan's Nikkei 225 Stock Index fell 254.49 points, or 1.66 percent, to 15,054.60. Benchmark indexes also tumbled in Singapore, Malaysia, Taiwan and Thailand.

Prime Minister Ryutaro Hashimoto also tried to reassure depositors and investors, saying at a news conference that the government would "absolutely protect financial system stability."

WALL STREET WATCH

A New Challenge for Buffett: Questions

By Edward Wyatt
New York Times Service

NEW YORK — It could be Warren Buffett's biggest challenge yet.

Not the acquisition of General Re Corp., the reinsurance giant that Berkshire Hathaway Inc. agreed to buy last week for \$21.7 billion in stock. Rather, his taking on the often-urly Wall Street professionals who, as part of the deal, will become holders of 15 percent of the shares of Berkshire Hathaway. Mr. Buffett's far-flung corporate empire years, Mr. Buffett has enjoyed a luxury unknown to most other American chief executives. He answers almost exclusively to individual investors, roughly 150,000 average Americans who have often paid premium prices to invest by his side as holders of Berkshire Hathaway stock. But institutional investors — the professionals who manage portfolios for mutual funds, college endowments and big corporations — have almost wholly avoided Berkshire.

With the purchase of General Re, Berkshire Hathaway will gain an entirely new class of shareholders: the institutions that now own some 85 percent of General Re's shares.

Those professional investors, if they decide to remain long-term holders, are more likely to ask pointed questions about Mr. Buffett's plans for Berkshire, his investment outlook and who will be running the company after he departs.

Institutional investors have not avoided Mr. Buffett's company because



Mr. Buffett seeks 'more trading.'

they do not believe in the magic of the man from Omaha, Nebraska. Rather, Berkshire shares are relatively illiquid. Only about 200 of the company's class A shares, which closed Tuesday at \$78,505, up \$1,005, change hands on the New York Stock Exchange each day. That has made big professional investors, who demand stocks that can be traded easily and quickly, loath to invest.

Even the company's class B shares, first offered two years ago as a cheaper alternative to improve the stock's liquidity, can, at \$2,621, up \$26 a share on Tuesday, sometimes prove hard to buy and sell.

Institutions have also stayed away because individuals, in their eagerness to own what Mr. Buffett owns, have often pushed the price of Berkshire's

stock far above the value of the assets owned by the company.

Berkshire Hathaway is not, of course, the average corporation. It is a fanciful conglomerate that combines Main Street businesses that seem to personify Mr. Buffett's homespun image — like See's Candies, International Dairy Queen and World Book Encyclopedias — with big stakes in some of corporate America's crown jewels, like Coca-Cola Co., Walt Disney Co. and Gillette Co.

At a news conference Friday to announce the acquisition, Mr. Buffett sounded sanguine about the change in his constituency. "We would hope that what we do at Berkshire makes enough sense to them," he said.

One of the benefits of the merger would be to create "a substantially larger float" in Berkshire shares, Mr. Buffett said — referring to the number of shares in general circulation.

"I think there will be more trading" as a result, he added, perhaps making institutions "more willing to own Berkshire."

At the end of March, five institutions each owned more than 3 percent of General Re's shares, according to Technometrics Inc., which tracks institutional stock data. Capital Research and Management, which oversees the American Funds family of mutual funds, was the largest holder, owning 6 percent of the shares. In contrast, only one institutional investor owns more than 3 percent of Berkshire Hathaway's class A shares: Ruane Cunniff & Co., a New York investment firm.

CURRENCY & INTEREST RATES

Cross Rates									
	US	UK	FR	DM	JP	SE	HK	TH	SG
Australian	1.2825	1.3781	1.2701	1.2144	1.4141	1.4441	1.4441	1.4441	1.4441
Brussels	37.85	61.48	24.85	61.53	24.85	14.28	14.28	14.28	14.28
Frankfurt	1.76	2.99	1.48	2.99	1.48	1.48	1.48	1.48	1.48
London (d)	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482
Madrid	162.67	254.37	14.74	25.34	64.44	75.3	41.49	181.88	182.78
Moscow	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482
Munich	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482
New York (d)	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482
Paris	6.073	16.89	3.254	1.482	2.974	6.125	4.818	4.564	4.895
Tokyo	139.79	239.29	74.78	23.1	61.2	41.2	12.28	12.28	12.28
Toronto	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482
Zurich	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482
1 ECU	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482
1 SDR	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482	1.482
Currencies in Amsterdam, London, Milan, New York, Paris and Zurich, trading in other centers									
Toronto rates of 3 P.M. (C) To buy one dollar: To buy one dollar: Units of 100 N.D. not quoted: N.A. not available.									
Other Dollar Values									
Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Argentine peso	0.0096	Guatem. quetz.	302.72	Max. peso	8.89	S. Afr. rand	5.4623		
Australian \$	1.4821	Hong Kong \$	7.7415	N. Zealand \$	1.5543	S. Korea won	1253.36		
Austrian sch.	12.2529	Indian rupee	21.4649	Phil. peso	41.15	Taiwan \$	34.20		
Brazil real	1.5448	Indon. rupiah	1480.00	Polish zloty	3.48	Thai baht	41.41		
Chinese yuan	8.2725	Irish £	0.7896	Port. escudo	166.64	Turkish liras	25.245		
Czech koruna	33.20	Israeli \$	0.0354	Ross ruble	1.187	UAE dirham	3.671		
Danish krone	6.4633	Israeli sheq.	2.5592	Ross ruble	1.187	Viet. dong	543.75		
East germ. mark	3.4118	Kor. won	0.0001	Sing. \$	1.4820				
Fin. mark	5.9453	Malay. ring.	3.93						
Forward Rates									
Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day	Currency	30-day
Pound Sterling	1.6459	1.6451	1.6451	Japanese yen	137.81	137.22	136.61	Canadian dollar	1.4719
Canadian dollar	1.4719	1.4711	1.4705	Swiss franc	1.4944	1.4899	1.4852	Deutsche mark	1.7953
Deutsche mark	1.7953	1.7904	1.7873						
Sources: ING Bank (Amsterdam); Citi Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.									

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THE AMERICAS

Computer Issues Lead Rally on Wall Street

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rallied Tuesday as technology issues rose for a second day, helped by a court victory for Microsoft, and as energy shares gained ground on a rise in oil prices.

The Dow Jones industrial average finished 117.33 points higher at 8,828.46. Broad-market indicators were also rising, with big gains in the technology-heavy Nasdaq composite index, which rose 38.75 points, or 2.2 percent, to 1,844.57. The Standard & Poor's 500 Index gained 16.27, to 1,119.49.

Investors poured money into computer companies on expectations that their profits will grow faster than the rest of the market's. Profit growth overall is slowing, yet investors have not lost their ap-

petite for stocks, money managers say. Instead, they are favoring a select group of large stocks.

"You have to own companies that can sustain quality double-digit earnings growth over the next few years," said John Davenport, chief

U.S. STOCKS

investment officer for large-capitalization stocks at Mentor Investment Group in Richmond, Virginia.

Microsoft led the gains, after the No. 1 personal computer software maker won a round in court with federal antitrust officials.

Microsoft surged 4 1/2 to 100.4 after a federal appeals court said the company was free to offer personal computer makers a version of its Windows 95 operating

system with its Internet Explorer browser.

"It removes one of the longstanding clouds that has overshadowed Microsoft," said Eric Wiegand, senior money manager at First Capital Group, a unit of First Union Corp. The company's global market dominance, visibility and liquidity "continues to make it desirable in the eyes of investors," he said.

Advancing issues led decliners on the New York Stock Exchange by a 17-to-11 ratio.

Even before the Microsoft news, computer stocks were rallying for a second day.

"The move back into some technology and energy names feels like it's going to run a little bit longer," said Jon Olensky, head of block trading at Morgan Stanley Dean Witter.

Intel rose 1 1/2 to 75 1/4. Dell Computer gained 5 1/4 to 87 1/4, and Cisco Systems rose 2 1/4 to 87 1/4.

Energy stocks also jumped for a second day, along with the price of crude oil futures. The 11-member Organization of Petroleum Exporting Countries meets Wednesday, and traders expect the group to cut production further to bolster sagging prices. Chevron rose 2 1/2 to 88 1/4, and Mobil gained 1 1/2 to 77 1/4. August crude futures rose 70 cents a barrel to \$14.55.

U.S. bond prices rose for the third time in four days as the dollar gained amid speculation Asia's economic and financial troubles will persist.

The benchmark 30-year Treasury bond rose 13/32 to 106 29/32, pushing its yield down 2 basis points to 5.64 percent. (Bloomberg, AP)

Dollar Rises Amid Worries About Japan

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose a second day against the yen on Tuesday amid expectations Japan would not act quickly to revive its banking system and lift the economy from recession.

"There are no signs the Japanese are saying, 'We've got to bite the bullet,'" said Rick Zauderer, a manager at Friedberg Commodity Management Inc. in Toronto. "The Japanese are slow to act. The yen has room to go down."

The dollar was quoted at 4 P.M. at 139.350 yen, up from 138.06 on Monday.

The dollar received an added lift against the yen in the wake of a

FOREIGN EXCHANGE

report that suggested the U.S. Treasury secretary, Robert Rubin, only reluctantly went along with the U.S. decision to intervene last week to support the yen, traders said.

A Market News source cited sources who said Mr. Rubin acquiesced to President Bill Clinton's decision to intervene to support the yen last Wednesday.

Many analysts speculate the intervention was a political gesture before Mr. Clinton's visit to China, which begins Wednesday, that was meant to alleviate pressure on China's currency, the yuan.

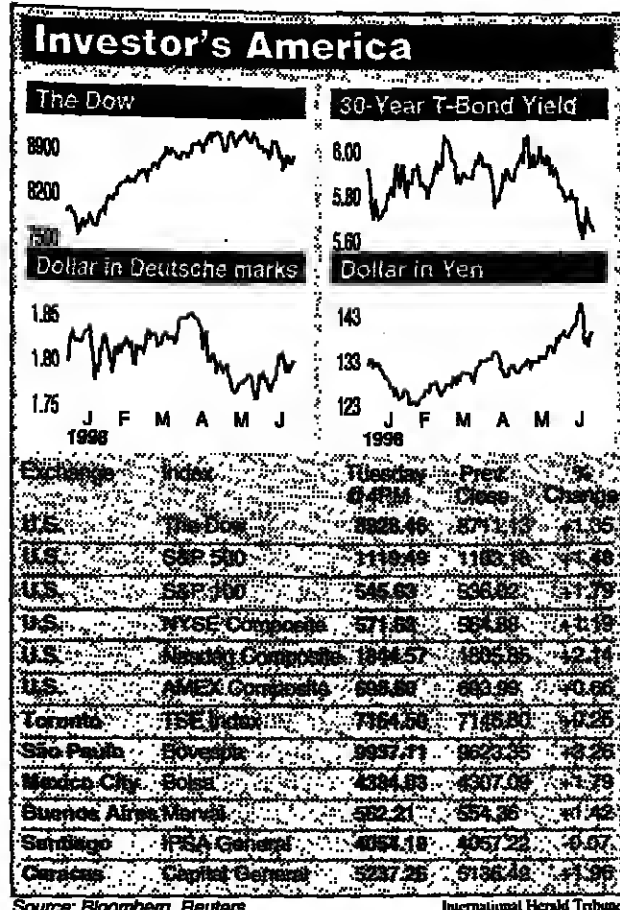
Both at the Federal Reserve Board and at the Treasury, there was considerable skepticism about the effectiveness of intervention given the poor economic and financial fundamentals undermining the yen's value relative to the dollar, the sources told Market News.

The dollar also rose to 1.8017 Deutsche marks from 1.7940 DM after President Boris Yeltsin of Russia said his country's economy was close to crisis.

Russian economic woes tend to hurt the mark because Germany is Russia's biggest trading partner and creditor.

"The market was surprised to see Yeltsin coming out and admitting its problems," said Gerry Celaya, an analyst at American Express Bank. "It suggests the situation must be even worse than we thought."

The dollar was at 1.5050 Swiss francs, up from 1.4978 francs, and at 6.0395 French francs, up from 6.0150 francs. The pound was at \$1.6678, down from \$1.6735. (Bloomberg, Market News)



Dollar Rises Amid Worries About Japan

NEW YORK — The dollar rose on Tuesday against the yen as investors bet that the Japanese economy would not quickly revive to a level that would lift the economy into recovery.

There are no signs the Japanese economy is recovering, according to a survey by the Japanese government, said Rick Zander, managing director at Friedberg Capital Management Inc. in Toronto. He said the Japanese government is not going to act to lift the yen.

The dollar was quoted at 148.15 yen, up from 147.10 yen on Monday.

The dollar received an additional boost from the yen in the week.

FOREIGN EXCHANGE

The dollar's rise was suggested by a survey of Japanese business executives, which showed that the Japanese economy is not recovering. The survey, conducted by the Japanese government, showed that the Japanese economy is not recovering.

The survey, conducted by the Japanese government, showed that the Japanese economy is not recovering. The survey, conducted by the Japanese government, showed that the Japanese economy is not recovering.

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[illegible]

NASDAQ

Tuesday's 4 P.M.

The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press

[illegible]

12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
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[illegible][illegible][illegible]**NYSE**

Tuesday's 4 P.M. Close
(Continued)

[illegible][illegible][illegible][illegible]

12 Month	High	Low	Stock	Div Yld	PE	TB	High	Lowest	1st Crp
1950	100	100	100	100	100	100	100	100	100
1951	100	100	100	100	100	100	100	100	100
1952	100	100	100	100	100	100	100	100	100
1953	100	100	100	100	100	100	100	100	100
1954	100	100	100	100	100	100	100	100	100
1955	100	100	100	100	100	100	100	100	100
1956	100	100	100	100	100	100	100	100	100
1957	100	100	100	100	100	100	100	100	100
1958	100	100	100	100	100	100	100	100	100
1959	100	100	100	100	100	100	100	100	100
1960	100	100	100	100	100	100	100	100	100
1961	100	100	100	100	100	100	100	100	100
1962	100	100	100	100	100	100	100	100	100
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1970	100	100	100	100	100	100	100	100	100
1971	100	100	100	100	100	100	100	100	100
1972	100	100	100	100	100	100	100	100	100
1973	100	100	100	100	100	100	100	100	100
1974	100	100	100	100	100	100	100	100	100
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1977	100	100	100	100	100	100	100	100	100
1978	100	100	100	100	100	100	100	100	100
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1981	100	100	100	100	100	100	100	100	100
1982	100	100	100	100	100	100	100	100	100
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1987	100	100	100	100	100	100	100	100	100
1988	100	100	100	100	100	100	100	100	100
1989	100	100	100	100	100	100	100	100	100
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1991	100	100	100	100	100	100	100	100	100
1992	100	100	100	100	100	100	100	100	100
1993	100	100	100	100	100	100	100	100	100
1994	100	100	100	100	100	100	100	100	100
1995	100	100	100	100	100	100	100	100	100
1996	100	100	100	100	100	100	100	100	100

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EUROPE

U.K. Deficit In Trade Hits 6-Year High

Bloomberg News

LONDON — The current-account deficit reached a six-year high in the first quarter as a strong pound brought on a decline in exports that spread from manufacturing to services, slowing the British economy, the statistics office said Tuesday.

The current-account deficit widened to £3.221 billion (\$5.38 billion) in the first quarter of 1998 from a surplus of £46 million in the fourth quarter of 1997, the Office for National Statistics said. That was almost three times the £1.2 billion that economists expected, the first deficit since the third quarter of 1996 and the biggest since the fourth quarter of 1992.

Exports fell six increases in interest rates in a little more than a year raised the value of the pound. British manufacturers said in recession as their products grew more expensive overseas. Now service industries are feeling the weight of the pound as well — a sign the British economy, one of the strongest in Europe for the last five years, is running out of steam.

"The reappearance of a current-account deficit is probably the most dramatic sign of the damage being wrought by the strong pound," said Simon Briscoe, a British economist at Nikko Europe.

The current account is effectively a ledger of a country's debts and credits, and a deficit means more people outside Britain are buying goods than they will eventually sell for their own currency.

Separately, a report on first-quarter gross domestic product showed the economy slowing as exports fell. British GDP grew 0.5 percent for the quarter, the slowest quarterly growth in a year, and 3 percent from a year earlier. The quarterly figure was unrevised and the annual figure revised up a notch, from 2.9 percent.

Even with the revision, the figures showed growth is slowing, from 0.6 percent in the fourth quarter and 0.9 percent in the second and third quarters of last year. More important, growth in services slowed in the first quarter, with the biggest slowdowns coming in areas — such as financial services — that had earlier grown the fastest.

Pearson to Sell Madame Tussaud's

Compiled by Our Staff From Dispatches

LONDON — Pearson PLC, Britain's biggest media and leisure company, said Tuesday it would sell The Tussaud's Group, which owns Madame Tussaud's wax museum, as it continued to sell units not related to its main publishing and television businesses.

The planned sale is part of Chief Executive Marjorie Scardino's effort to focus Pearson on its media businesses and cut costs. Mrs. Scardino has pledged to double the company's value by 2002.

Pearson has long been expected to sell Tussaud's — which dates back to the French Revolution — to help reduce debt created by its recent \$3.6 billion purchase of Simon & Schuster's educational publishing unit from Viacom Inc.

On Monday, Pearson said it would sell its 40.5 percent stake in the Port Aventura theme park in Spain to Seagram Co.'s Universal Studios for £40 million (\$66.9 million).

The Tussaud's Group, which also includes theme parks in Britain such as Alton Towers, is seen as a prime disposal candidate because of its perceived lack of synergy with Pearson's core businesses, which include The Financial Times newspaper, educational publishers, and television programs such as "Baywatch" and "The Price Is Right."

"As we sharpen Pearson's focus on a tighter group of media businesses, we have decided that this is a good time to test whether Tussaud's might be even more valuable to a new owner," Mrs. Scardino said.

"They will have to offer a good price to convince us that it is," she added.

The Tussaud's Group could fetch £350 to £400 million from a British or U.S. buyer, taking into account the division's theme parks and Madame Tussaud's sites overseas, analysts said.

Tussaud's, which last year had an operating profit of £22 million on sales of £107 million, got its start during the French Revolution, when Madame Tussaud sculpted the heads of guillotined aristocrats before escaping to London.

The Tussaud's Group has since grown to include



Judy Craig, an artist at Madame Tussaud's, grooming a wax effigy of Sylvester Stallone.

Madame Tussaud's sites in Melbourne and Amsterdam, with exhibitions also planned for New York and Las Vegas.

The company's flagship museum near London's Baker Street attracts about 2.8 million visitors a year, making it one of Britain's top commercial tourist attractions.

In addition, the group owns the Alton Towers theme park, Chessington World of Adventures and Warwick Castle and recently agreed to buy Thorpe Park in southeast England. Pearson's shares slipped 1 pence, to £10.53.

(Bloomberg, Reuters)

Rail Venture Ties Holland To Germany

Bloomberg News

FRANKFURT — The German and Dutch national railroads said Tuesday they would merge their rail cargo businesses, creating the first cross-border rail freight company to challenge the supremacy of Europe's trucking industry.

Deutsche Bahn AG will hold a majority in the new venture with the Netherlands' NS Groep NV, with the size of the stake to be set next year according to the companies' sales. Based on 1997 sales, Deutsche Bahn will likely hold about a 90 percent stake in the company.

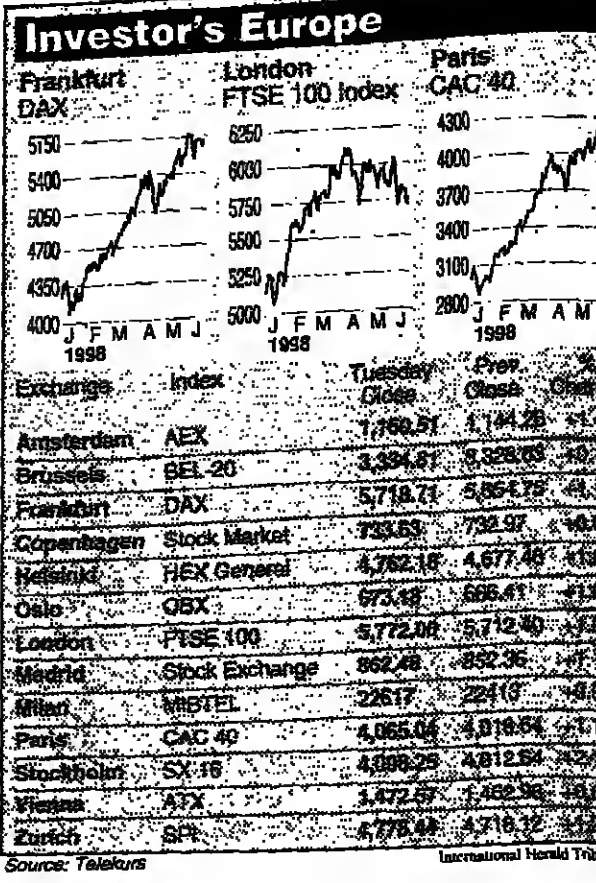
The freight merger, the first between European railroads, comes as state-owned railroads seek to defend a shrinking percentage of Europe's freight market from the trucking industry, which now transports nearly 50 percent of all freight in Europe.

The new company, to be called Rail Cargo Europe AG, will be based in Mainz, Germany, about 25 miles (40 kilometers) east of Frankfurt. The two railroads said they were open to other partners. Analysts said the venture would give the Dutch company a chance to avoid a third year of losses in freight. Deutsche Bahn, already Europe's largest rail freight operator, wins key access to Dutch ports, including Rotterdam, the world's largest.

Analysts say merging rail freight businesses makes sense since Europe's trucking business has thrived with the falling of internal EU borders and the lowering of tariffs. In Germany, for example, Deutsche Bahn said trucks transport 50 percent of all freight, with the railroad transporting 23 percent. Shipping accounts for 20 percent of freight and pipelines for 6 percent.

NS Cargo, the Dutch railway's freight unit, had 1997 sales of 310 million guilders (\$153.2 million). DB Cargo, the Deutsche Bahn freight unit, had 1997 freight sales of 6.7 billion Dutch marks (\$3.73 billion). DB Cargo has 48,000 workers and NS Cargo has 1,878. Germany plans to eventually sell Deutsche Bahn on the stock exchange.

The Deutsche Bahn chief executive, Johannes Ludewig, has said the German railway wants to negotiate cooperation agreements with other railways to permit seamless cargo travel across Europe.



Source: Reuters

Very briefly:

- British Airways and American Airlines must cut the frequency of flights on key routes for six months to allow more competition once their planned alliance starts, Karel Van Miert, the European Union's antitrust chief, said. He was particularly concerned about flights between London and six U.S. cities where BA and American together now account for more than half of passengers.
- Kingfisher PLC, owner of Britain's biggest home-improvement chain, agreed to increase its stake in BUT SA to 62 percent from 26 percent and bid for the rest of France's No. 2 furniture retailer as part of a push into Continental Europe.
- Conforama SA, France's largest furniture and home-appliance retailer, said it agreed to buy 10 stores in Spain, making it the largest retailer of its kind in that country.
- Renault SA, France's second-highest carmaker, said it may consider an acquisition in Asia to boost sales outside of Europe, although it ruled out a merger.
- Daimler-Benz Aerospace AG said it has agreed with Sun Microsystems Inc. and Hewlett-Packard Co. to cooperate in the field of military surveillance and intelligence equipment.
- Deutsche Boerse AG, the German stock exchange association, said it planned to introduce a stock index for so-called small-cap shares as early as this year.
- The German steel sector is in good health but will have to shed about 10,000 jobs during the next three to five years, the RWI economics research institute said.
- Credit Commercial de France and J.P. Morgan & Co. said the French bank is buying the French institutional fund management business of Morgan.
- Orange PLC, Britain's third-biggest mobile phone company by sales, said it would cut call charges by as much as 66 percent next month.

(Bloomberg, AFP, Reuters)

WORLD STOCK MARKETS

Tuesday, June 23
Daily prices in local currencies.

Amsterdam

High Low Close Prev.

ABN-AMRO 45.80 45.10 45.20 45.20

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EU Raids 4 Austria Banks in Cartel Probe

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission said Tuesday its antitrust investigators carried out morning raids on offices of four Austrian banks to unearth evidence of a price-fixing cartel.

Raiffeisen AG, Austria's third-largest bank, Oesterreichische Postsparkasse AG, which operates through the post offices, Oesterreichische Kontrollbank AG, an export financing bank, and Bank fuer Arbeit und Wirtschaft AG, Austria's fifth-largest bank, said they were the banks raided.

The commission expects to gather more precise information about the banks' participation in regularly held meetings which are known as the "Lombard Club," the commission said in a statement.

The Lombard Club is an informal body that meets once a month, according to Austrian bankers. It is made up of Austria's bank chief executives and representatives of the Austrian National Bank, the nation's largest bank. Most of Austria's largest banks are members, though many are not.

The commission said it had started investigating the banks' practices in May 1997 following reports in the Austrian press about a list of 13 measures for boosting the banks' profitability, including a hand-written note called "Lombard 8.5."

(Bloomberg, Reuters)

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(Bloomberg, Reuters)

FROM THE 22ND OF JUNE 1998, GEC ALSTHOM HAS A NEW NAME: ALSTOM.

BUT THIS IS JUST ANOTHER STEP IN A LONG STORY. BEHIND

OUR NEW IDENTITY. IS A NEW COMPANY WITH A NEW

STATUS, LISTED IN PARIS, LONDON AND NEW YORK.

TODAY, MILLIONS OF TRAVELLERS USE

TRAINS BUILT BY ALSTOM. MILLIONS OF

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ASIA/PACIFIC

U.S. Pins Hope on Jiang: Don't Drop the Yuan

President Bill Clinton will arrive in China on Thursday for summit talks with the Chinese president, Jiang Zemin, amid mounting international concern about the contagion effects of recession in Japan. On a visit to the Asia-Pacific region, Lawrence Chimerine, managing director and chief economist at the Economic Strategy Institute in Washington, discussed the meeting with Michael Richardson of the International Herald Tribune.

Q. Will the financial and economic crisis in East Asia loom large on the agenda of the summit?

A. Mr. Clinton will tell the Chinese that the crisis has intensified and that they have a responsibility to do what is necessary to prevent it from becoming worse. This and the restructuring of China's economy will be the two key issues he will focus on.

Q. Why is the United States so concerned about a possible devaluation of the Chinese yuan?

A. Washington is worried that if

Q & A / Lawrence Chimerine

China devalues its currency, it will put downward pressure on other East Asian currencies through a series of competitive devaluations, which will create more financial market instability and delay a bottoming out of the economic crisis.

Q. What leverage does the U.S. have over China to persuade it not to devalue?

A. The biggest leverage is access to the American market. China has an annual trade surplus with the U.S. amounting to about \$40 billion. A significant share of China's exports go to the U.S. Anything we do that would make it more difficult for them to penetrate our market would hurt their economy.

There are two ways of exercising this leverage. One is immediate, by not renewing China's Most Favored Nation status, which would mean a huge increase in tariffs on Chinese imports. Mr. Clinton said recently

that MFN should be extended, giving Congress 30 days to respond. There is already some concern in Congress about extending MFN to China on human rights grounds.

The second arm of U.S. leverage revolves around China's strong desire to be admitted to the World Trade Organization. The further opening of China's market remains a key American priority. But I think it will also be made clear at the summit that the U.S. will not support China's accession to the WTO if it doesn't cooperate in trying to help ease the crisis in Asia.

Q. Is the U.S. confident that Japan will take action to strengthen the yen by stimulating domestic demand, deregulating its economy and cleaning up its banking system?

A. In public, U.S. officials are trying to appear confident; in private, those I talk to are quite

concerned. They've heard these promises from Japan before. They worry that the Japanese political system is not moving rapidly enough. They also worry that Japanese bureaucrats have a vested interest in preserving the status quo and have become an impediment to change. So there is still great concern in the U.S. government about how quickly the Japanese will address their economic problems.

Q. Where do the responses of China and Japan to the East Asian crisis leave them in U.S. eyes?

A. I think the U.S. is looking at China in a somewhat different way now than it did earlier, partly because it needs Chinese help in containing the crisis in Asia, partly because of concern about nuclear proliferation which has been heightened by the testing in India and Pakistan, and partly because Washington is having such a difficult time in getting the Japanese to move in the direction it wants them to go.

China Backs Aid For Unemployed

The Associated Press
BEIJING — The Communist Party and government leaders warned Tuesday that more needed to be done to find jobs for millions of workers laid off from struggling state industries. Strong measures must be taken to reform state enterprises and preserve social stability, the Communist Party's policy-setting Central Committee and the State Council, or cabinet, said in a circular published by leading official newspapers Tuesday.

It called on government at all levels to expand retraining programs and provide stipends to those who were laid off.

The circular promised that more than 50 percent of workers who were laid off this year would find new employment. But it warned that it would take five years to put in place a system that would guarantee welfare, unemployment, medical and pension payments.

Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
12000		1750		17600	
11000		1650		17000	
10000		1500		16400	
9000		1300		15800	
8000		1150		15200	
7000		1050		14600	
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1998		1998		1998	
Exchange	Index	Tuesday Close	Prev. Close	% Change	
Hong Kong	Hang Seng	8,219.67	8,204.21	+0.19	
Singapore	Straits Times	1,682.25	1,678.45	+0.23	
Sydney	All Ordinaries	2,582.60	2,586.00	-0.13	
Tokyo	Nikkei 225	15,054.68	15,308.00	-1.66	
Kuala Lumpur	Composite	457.25	457.61	-0.08	
Bangkok	SET	274.06	275.90	-0.67	
Seoul	Composite Index	303.31	311.27	-2.56	
Taipei	Stock Market Index	7,533.36	7,692.91	-2.07	
Manila	PSE	1,695.66	1,698.68	-0.18	
Jakarta	Composite Index	423.08	420.66	+0.58	
Wellington	NZSE-40	1,953.68	1,942.31	+0.58	
Bombay	Sensitive Index	3,037.34	3,078.51	-1.34	

Source: Telekurs

International Herald Tribune

Source: Reuters

International Herald Tribune

GM in China: Long Road To Profits

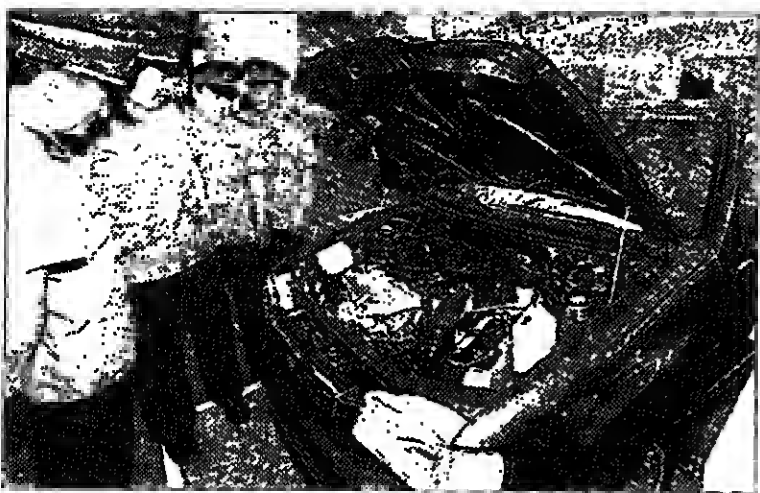
By Peter Hannam
Bloomberg News

BEIJING — General Motors Corp. agreed this week to invest more money in China, underscoring the mainland's continuing allure for foreign companies as President Bill Clinton heads to the country.

GM will almost double the size of a joint venture in Shenyang, north-eastern China, to \$230 million and will increase its stake to 50 percent from 30 percent. That factory, which makes Chevrolet Blazer sport-utility vehicles and pickups, turned out just 1,200 vehicles before shutting down three years ago to stem losses.

Investing now may be risky as China's economy slows for the first time since 1990 and currency turmoil in Asia raises the specter of a punitive devaluation of the yuan. Return on dollar investments in China have often proved elusive for foreign companies seduced by the thought of 1.2 billion consumers with \$1 trillion in the bank.

But GM and others say investments will pay off in the long run. Foreign companies pumped an av-



Police officers checking out a Chinese-made Daihatsu Xiali on display at the China Auto Show in Beijing on Tuesday.

erage \$100 million a day into China during the past five years.

"We see it as the growth market for the next 15 years," said Larry Zahner, an executive vice president at GM China.

GM's \$1.6 billion joint venture in Shanghai is China's biggest single industrial foreign investment project. GM will build mid-sized luxury sedans in Shanghai in a contract with Shanghai Automotive Industry Corp., a major domestic producer.

The Shanghai plant "is not a loss leader," said Rudy Schlaiss, president of GM's China business.

"This is based on sound business practices and sound returns to our investors."

To make money, GM will need customers. State-owned Chinese companies are likely to cut millions of jobs during the next three years in order to remain solvent. Urban residents have increased their savings to cope with the expected loss of state-subsidized housing.

Many doubt GM will succeed. "GM won't make a profit in Shanghai for 10 years," said Martin Posth, an industry consultant at Arthur D. Little.

Hong Kong Sales Fall 16%

Bloomberg News

HONG KONG — Shopkeepers had their second worst month on record in April, in further evidence that Hong Kong is sliding deeper into recession, according to government data.

Retail sales fell at an annual rate of 16 percent by volume, the sixth straight decline, the government said. This is causing the economy to contract as private consumption makes up about 60 percent of total expenditure.

The inflation rate was 4.5 percent in May, down from 4.7 percent a

month earlier, the government said.

"It's yet another sign the economy isn't turning around," said Rob Brewis, portfolio manager at Nicholas Applegate Capital Management Ltd. in Hong Kong. "The threat of deflation is bad news for retailers and property developers."

This concern doused optimism generated by the government measures, announced Monday, part of a \$32 billion Hong Kong dollar (\$4.1 billion) package to bolster the economy. The benchmark Hang Seng stock index edged 0.2 percent higher, and local interest rates rose.

Tokyo Holds Out on Trade Liberalization

The Associated Press

KUCHING, Malaysia — Trade talks among Pacific-Rim countries ended Tuesday, with Japan the lone holdout on an agreement to ease barriers in nine key markets.

The United States suggested that Tokyo did not want to join in a fast-track liberalization plan before general elections in Japan in July.

After two days of talks among trade ministers of the Asia-Pacific Economic Cooperation forum, the U.S. trade representative, Charlene Barshefsky, said: "The message to Japan from APEC is:

We're all ready. Where are you?"

The ministers were debating a plan to begin by next year liberalizing trade in environmental products and services, energy, fisheries, forest products, toys, jewelry, medical goods, chemical products and telecommunications.

Senior delegates said that Japan wanted to opt out of specific tariff reductions in the fisheries and forestry sectors.

Trade Minister Rafidah Aziz of Malaysia, the host of the meeting, said the organization now hoped to complete the plan by September.

Very briefly:

• Moody's Investors Service Inc. warned that Philippine banks, while likely to survive the economic turmoil sweeping Asia, may be understating the extent of their problem loans.

• South Korean computer users appealed to Hangul & Computer Co., a local company, to turn down a \$20 million investment offer by Microsoft Corp. that would require it to abandon its Korean-language word-processing software. More than 15,000 people organized a citizens commission to urge Hangul to scrap the investment deal, said Wi Hyung Bok, chairman of the commission.

• All Nippon Airways Corp. announced a series of cost-cutting moves, including a reduction in aircraft purchases, holding down new hiring and trimming senior executives' salaries, as part of a three-year plan to raise profits.

• Motorola Corp. and Lucent Technologies Inc. signed contracts with Chinese telecommunications companies to supply equipment worth almost \$300 million.

• Dai-ichi Life Insurance Co. said it and 12 other insurers will file a joint suit at the Tokyo District Court against Yamaichi Securities Co. to recover 41 billion yen (\$296.9 million) in subordinated loans.

• Vietnam posted year-on-year inflation of 8.7 percent for the month ended Monday, showing an upward trend in prices despite a slowdown in economic growth, according to preliminary figures.

• Lane Crawford International Ltd., a Hong Kong retailer, said its profit fell 95.5 percent, to 1.4 million Hong Kong dollars (\$180,796), in the year ended in March.

• Salomon Smith Barney Asset Management will buy JP Morgan Investment Management Australia for an undisclosed sum.

• Hong Kong's retail sales fell at an annual rate of 16 percent by volume, the sixth straight monthly decline, in April.

• Motorola Inc. will lay off 380 employees, or 9 percent of its Singapore work force, in response to the regional economic downturn.

Bloomberg, AP, AFP

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The Economist

EUROPEAN

FORTUNE

Herald Tribune

Newsweek

TIME

World Press Group

WORLD ROUNDUP

Lockout Looms

The National Union of Public Employees (NUPE) is threatening a strike against the government's new pay award, which would cut wages by 1.5 percent. The union's leaders say the award is a "betrayal" of the members' interests.

Morocco Revives Ban

ATHLÈTES — Morocco's ban on foreign athletes competing in the country's sports events has been revived. The ban was originally imposed in 1996 but was lifted in 1997.

Maple Leaf Fire Caught

ICEHOCKEY — The Toronto Maple Leafs' fire caught on Tuesday night, as the team's star player, Mats Wilander, was hit by a fireball during a game against the New York Rangers.

Pain in Neck

Is Bed of Roses — The pain in the neck of the world's leaders is a real one. The stress of the job and the pressure of the media can take a toll on even the most resilient of leaders.

Baseball Roundup

The New York Yankees' victory over the Boston Red Sox in the American League Championship Series was a historic moment for the franchise. The Yankees won their 27th World Series title.

SCOREBOARD

BASEBALL ROUNDUP

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WORLD ROUNDUP

Lockout Looms

The National Basketball Association and its players union ended bargaining talks after 30 minutes without making any progress toward averting a lockout that would shut down the league on July 1.

Not talks are set before June 30—the last day of a three-year-old agreement. A lockout is expected to begin July 1. The NBA says almost half the league's 29 teams lost money last season. The union says that number is closer to four. (AP)

Morocco Receives Ban

ATHLETICS The International Amateur Athletic Federation has banned Morocco from holding future events because it refused visas to the Israeli team for the world cross-country championships in Marrakech in March. (Reuters)

Maple Leafs Fire Coach

ICE HOCKEY The Toronto Maple Leafs fired coach Mike Murphy on Tuesday. Murphy had failed to get the team to the playoffs in two seasons in charge. A possible replacement, Pat Quinn, the former Vancouver Canucks general manager and coach, met with Ken Dryden, Toronto's GM, over the weekend.

On Monday, the Canucks hired Brian Burke, who spent the last five years in charge of disciplining players as senior vice president of the National Hockey League, as GM. He fills a vacancy created when Quinn was fired in November. Burke was Vancouver's assistant GM, under Quinn for five seasons from 1987. (AP)

Venus Is Rising: She Gets First Wimbledon Victory

Williams Joins Her Sister, Serena, in Tourney's 2d Round

By Jennifer Frey
Special to the Herald Tribune

WIMBLEDON, England—Venus Williams declared her Tuesday afternoon appearance at the All England Club to be her Wimbledon debut, no matter what the history books might say.

Forget the five days she spent watching it rain here last June. Forget the dreadful three-set loss to Magdalena Grzybowska. Forget the purple and green beads she threaded through her hair.

Able to ignore the past, but not necessarily her obvious unease on the grass surface, Williams survived two rain delays during this soggy second

day of Wimbledon to capture a 6-3, 6-3, first-round victory over Jana Nejedly of Canada.

Seeded seventh in the field even though she has never won a match here, Williams shied away from the net and slipped a few times on the damp and relatively unfamiliar surface. But she still managed to win her first Wimbledon match—one day after her younger sister, Serena, cruised through her Wimbledon debut with a straight-set victory.

The two teenaged Americans—Serena is 16 and Venus just had her 18th birthday—joined another teen queen, Martina Hingis, the No. 1 seed and the defending champion, in the second round.

Hingis, 17, returned to Centre Court on Tuesday and surprisingly struggled before dispatching Lisa Raymond of the United States, 7-5, 6-3, in another rain-interrupted match.

In addition, No. 3 Jana Novotna—Hingis's victim in the 1997 final—cruised to a 6-2, 6-2, first-round victory over Sandra Kleinova.

"This is my first win at Wimbledon and last week I didn't do so well at Eastbourne," said Venus Williams, referring to the grass-court tournament she played. "But it's comforting to

see things are going better."

One year after miserable rains turned the 1997 tournament into the wettest Wimbledon in history, All England Club officials were forced to cancel dozens of matches on Tuesday. The second matches scheduled on all the courts did not commence until at least 6 P.M.

During last year's long rain delays, Venus Williams spent most of her time in the players' lounge with her sister, who served as her practice partner and best friend. This time, Serena—already comfortable in the knowledge that she knew how to be successful on Wimbledon's grass—talked strategy with her big sister while they waited for the weather to improve.

Venus, refusing to play a serve-and-volley game despite her tremendous height, wingspan and power, had just one net approach during her match with Nejedly, although she guaranteed afterward that she would change her style in the next round.

"It was tough, because the court was wet and I generally want to stick with my regular game," said the 6-foot-2-inch (1.88 meter) Williams, who made frequent eye contact during the match with her mother, Oracene, who sat in a wheelchair at court level, nursing a broken left ankle.

In her first grass-court appearance this year, last week at Eastbourne, Venus lost a quick 6-2, 6-1 match to Natasha Zvereva.

Afterward, Serena bluntly acknowledged that Venus's ability to adapt to different surfaces was not what it should be.

"Some days Venus can be a force and others she can be a completely different person," Serena said at Eastbourne. "I eradicated that tendency a long time ago. I concentrate properly on the surface involved, which is something Venus is struggling to do."

Hingis, who lost one rival when Anna Kournikova withdrew with a thumb injury on Monday, dismissed Tuesday the chances of the Williams sisters. "The Williams girls didn't play



Venus Williams hitting a backhand return in her victory over Jana Nejedly on Tuesday.

that well in the last two tournaments," Hingis said. "So we'll see."

Hingis, criticized Tuesday by the players-turned-television-commentators Billie Jean King and Martina Navratilova for being lackadaisical in her approach to the game, got more trouble than she expected from Raymond, who described her opponent as "aprehensive" and a victim of nerves. Hingis did not necessarily disagree with Raymond's assessment.

"The first couple of games, I kind of didn't know what to do," Hingis said. "I was playing Centre Court for the first time in a year. It was a tough first round."

Tausiat Rallies After Rain Delay

Natalie Tausiat, the 16th seed, trailed Haruka Inoue of Japan, 2-6, 2-1, when rain interrupted play on Tuesday. Her services were reported. But Tausiat recovered to win the match 2-6, 6-1, 6-3.

The only men's seed to complete a match was No. 6 Patrick Rafter, who beat two Heiberger of Switzerland 6-1, 6-2, 4-6, 6-1.

No. 4 Greg Rusedski split the first two sets with Mark Draper and was trailing 5-4 in the third when the match was suspended. Richard Krajicek, the 1996 champion and No. 9 seed, was leading Brett Steven 6-3, 7-6 (9-7). (Reuters, AP)

Pain in Neck for Maddux Is Bed of Roses for Yanks

The Associated Press

The return of interleague games may have given a preview of this year's World Series.

But if the Atlanta Braves come back to New York for the World Series, you can bet that Greg Maddux will sleep in a different bed.

Maddux awoke with a stiff neck Monday morning in his New York hotel. But he pitched six innings before taking him

BASEBALL ROUNDUP

self out of the game, and the New York Yankees rallied against Dennis Martinez for a 6-4 victory over Atlanta.

Tim Lincecum hit a two-run double in the seventh inning for the Yankees in the first of four games this week between the clubs expected by many to play in the World Series this year.

"I just slept on it last night," Maddux said. "I was aware of it every pitch. It's why I came out. I said, 'Enough's enough.'"

Martinez (2-4) took over for Maddux and wound up losing his 13th straight decision to the Yankees. He fell to 2-19 lifetime against New York, and remained winless at Yankee Stadium since 1977.

The Yankees struck for three runs in the seventh against three relievers. Raines's two-out double off Martinez, his former teammate in Montreal, put New York ahead, 5-4.

Angels 6, Dodgers 5 The Los Angeles bullpen squandered another lead to lose to Glenn Hoffman's debut as manager after Bill Russell was fired. Jim Bruske, the Dodgers' third reliever in the bottom of the ninth, walked Tim Salmon on five pitches to force home the winning run.

Padres 5, Mariners 3 In Seattle, Jim

Leyritz drove in three runs in his San Diego debut, and Ruben Rivera hit a two-run double in the eighth as the Padres won their 13th in 14 games.

Orioles 7, Mets 2 In Baltimore, Mike Mussina (6-4) pitched a two-hitter and the Orioles handed Bobby Jones (6-4) his first loss since April 30. Mussina opened the game by getting five straight outs before giving up successive homers to Brian McKee and Butch Huskey.

Indians 3, Cubs 1 Dwight Gooden (2-3) continued to dominate the Cubs, and Omar Vizquel hit a tiebreaking RBI single in the seventh. Gooden pitched six innings to improve to 28-4 in his career against Chicago. Chicago's Sammy Sosa, who needs one more homer in June to tie the major league record of 18 in any month, went 0-for-4.

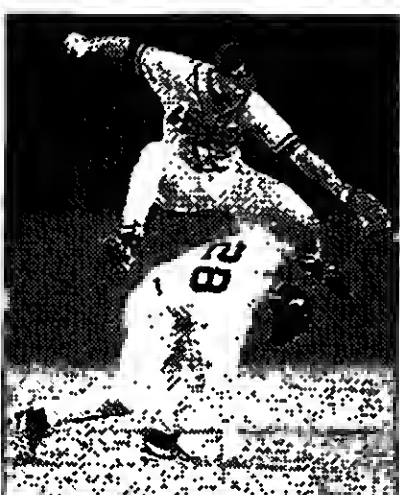
Blue Jays 14, Expos 2 In Toronto, Juan Guzman (4-9) pitched a seven-hitter for his first victory since May 26, and Jose Canseco homered for the Blue Jays. Darrin Fletcher went 4-for-5 with two RBIs for Toronto.

White Sox 5, Pirates 4 Chicago scored four runs in the first inning at Pittsburgh, then thwarted a Pirates comeback with Ray Durham's go-ahead homer in the sixth.

Phillies 9, Red Sox 8 Gregg Jefferies singled home Alex Arias in the 10th off Tom Gordon (4-2) as Philadelphia rallied from a five-run deficit at Boston for its 24th comeback victory.

Royals 3, Reds 0 Jeff King and Shane Mack homered at Cincinnati as Kansas City sent the Reds to their ninth straight loss.

Twins 5, Astros 3 Eric Milton (4-6) won for the first time since May 15, and Terry Steinbach homered for Minnesota at Houston.



The Yankees' Chad Curtis (28) submarining Braves' Tony Graf-farino to break up a double play.

Cardinals 4, Tigers 1 Todd Stottlemyre pitched eight strong innings and Brian Jordan drove in two runs as the Cardinals won at home in the first meeting between the two teams since the 1968 World Series.

Diamondbacks 6, Rangers 0 Andy Benes (6-7) pitched eight scoreless innings at Texas, and Dave Dellucci went 3-for-4 as Arizona handed the Rangers their first shutout loss this season.

Marlins 3, Devil Rays 2 Antonio Alfonseca (1-2) pitched out of a bases-loaded, one-out jam in the 12th to give Florida a victory at Tampa Bay. Mark Kotsay went 5-for-6 for Florida.

Giants 12, Athletics 8 Brian Johnson had a pair of RBI singles in San Francisco's nine-run fifth at Oakland. Rey Sanchez added a three-run homer for the Giants, who had six doubles.

In a National League game:

Brewers 3, Rockies 2 In Milwaukee, Jeremy Burnitz greeted reliever Chuck McElroy with a leadoff triple in the eighth and scored on John Jaha's groundout.

Janzen's 'Best I Can Do' Is Enough

Keeping Your Emotions In Check Is Hard Part, Winner Says

By Clifton Brown
New York Times Service

SAN FRANCISCO—For the second time in his career, and in admirable fashion, Lee Janzen displayed the qualities it takes to win a U.S. Open.

More than any other major championship, the Open tests patience and mental toughness, because bogeys are inevitable. It is one thing to tell yourself that par is a good score. But it is much harder for a world-class golfer to accept that mind-set for 72 holes.

In many PGA Tour events, par is not good enough to make the cut.

But on Sunday, Janzen's final score of even-par 280 here at the Olympic Club was good enough to win by one stroke over Payne Stewart, who missed a 20-foot birdie attempt on the final hole that would have forced an 18-hole playoff Tuesday.

Janzen was at his unshakable, no-nonsense best when he recovered from a poor start to capture the sweetest victory of his career.

After Janzen bogeyed the second and third holes, he was 4-over par, seven strokes behind Stewart. Few people gave Janzen a chance at that point, but instead of panicking and taking foolish risks trying to catch up, he never wavered from his game plan. Then, once his swing began to click, he started getting himself in position to make the pressure puts it takes to win a major tournament.

Janzen's final 13 holes, which he played at 4-under-par, may have been the greatest stretch of his career, considering the pressure and the unforgiving course conditions. With the championship up for grabs, Janzen made the back nine look easy, when it was anything but easy.

And to those who thought that Janzen's 1993 U.S. Open victory was a one-time thing, Janzen proved he is a special player.

"Keeping your emotions in check is the hard part," Janzen said, describing how he felt on the back nine. "After No. 11, I realized I had a chance to win."

U.S. OPEN GOLF

kept thinking 'This is the U.S. Open. I have a chance to win.' I had to keep reminding myself that when I lose focus, I could ruin any chance of winning. That's what kept me going. I just said, 'When this thing is over you can relax and think about all the great things. But every shot, if you don't give yourself full attention, you're not going to win this thing.'

Janzen walked the fine line of playing smart golf without being too conservative. Usually, Janzen said, he keeps a close watch on the leader board when he is in contention, but he took a new approach Sunday and it worked.

"I looked at the scoreboard the entire week, but I made a point to myself on the 13th hole that I would not look at the scoreboard the rest of the day," Janzen said. "I didn't want to know how I stood. I was going to play my game the rest of the way in. If I got lucky and got ahead, I didn't want to play safe. I just wanted to continue to hit good shots."

While Janzen was rock solid Sunday afternoon, and Stewart looked unsure for the first time all weekend, making five bogeys and only one birdie over his final 16 holes. Stewart started the final round with a four-stroke lead over Tom Lehman and Bob Tway, while Janzen and Nick Price were tied for fourth place, five strokes behind.

Paul Azinger, who won the 1993 PGA Championship, sounded like a prophet Sunday morning when he cautioned that Stewart would not have an easy day.

"I'm rooting for Payne, because I know how difficult it is to lead a major for all four rounds," Azinger said. "When I've led the first three rounds, I wasn't quite able to pull it off."

You want to know what Sunday feels like? Have you ever gone to the dentist for a root canal? Then when you get in the chair, the doctor says something like, 'Wow, this is worse than we thought.' That's what it feels like. You have to be able to control that feeling."

While Janzen managed to control it, others were left to wonder whether a United States Open championship is in their future. For Phil Mickelson, tied for 10th at 8-over-par, and Colin Montgomerie, tied for 18th at 10-over, the quest for a first major championship will continue.

Tiger Woods, who tied for 18th at 10-over par, has plenty of time to win the U.S. Open yet until he does, some will wonder if his aggressive nature hurts him in a tournament that requires so much patience.

But instead of soul-searching, Janzen could celebrate. He had not won on the tour since 1995, and as recently as this year's Players Championship in March, Janzen faltered on Sunday and lost a lead. Yet, when it comes to winning the U.S. Open, Janzen knows he has what it takes. That is one of the greatest feelings any golfer can have.

There are plenty of golfers who are better than me, but that's the best I can do," Janzen said of his performance. "The confidence will be there always that I can play tough courses well."

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

Team	W	L	Pct.	GB
New York	51	18	.739	0
Boston	42	29	.590	9
Baltimore	37	34	.520	14
Toronto	37	34	.520	14
Tampa Bay	31	40	.438	20

CENTRAL DIVISION

Team	W	L	Pct.	GB
Cleveland	42	31	.573	0
Minnesota	36	37	.486	6
Kansas City	31	42	.427	11
Chicago	30	44	.405	12
Detroit	25	49	.338	17

WEST DIVISION

Team	W	L	Pct.	GB
Anaheim	45	29	.608	0
Texas	42	32	.568	3
Oakland	33	41	.446	12
Seattle	31	43	.419	15

NATIONAL LEAGUE

EAST DIVISION

Team	W	L	Pct.	GB
Atlanta	50	26	.658	0
New York	39	37	.549	9
Philadelphia	37	39	.486	11
Florida	30	46	.395	18
Montreal	25	50	.333	24

CENTRAL DIVISION

Team	W	L	Pct.	GB
Houston	46	29	.613	0
Chicago	42	32	.568	4
St. Louis	38	36	.514	7
Milwaukee	37	36	.507	8
Pittsburgh	37	39	.486	9
Cincinnati	30	41	.424	17

WEST DIVISION

Team	W	L	Pct.	GB
San Diego	50	26	.658	0
San Francisco	45	32	.584	5
Los Angeles	36	39	.480	12
Colorado	32	45	.413	16
Arizona	26	50	.342	24

MONDAY LINESCORES

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Colorado	001	000	0.000	0
Milwaukee	000	000	0.000	0

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Kia, McCray (10) and Marwan, Woodell	000	000	0.000	0
Reynolds (10) and McCray (10) and Marwan, Woodell	000	000	0.000	0

INTERLEAGUE

Team	W	L	Pct.	GB
Montreal	000	000	0.000	0
Toronto	000	000	0.000	0

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

Team	W	L	Pct.	GB
New York	51	18	.739	0
Boston	42	29	.590	9
Baltimore	37	34	.520	14
Toronto	37	34	.520	14
Tampa Bay	31	40	.438	20

CENTRAL DIVISION

Team	W	L	Pct.	GB
Cleveland	42	31	.573	0
Minnesota	36	37	.486	6
Kansas City	31	42	.427	11
Chicago	30	44	.405	12
Detroit	25	49	.338	17

WEST DIVISION

Team	W	L	Pct.	GB
Anaheim	45	29	.608	0
Texas	42	32	.568	3
Oakland	33	41	.446	12
Seattle	31	43	.419	15

NATIONAL LEAGUE

EAST DIVISION

Team	W	L	Pct.	GB
Atlanta	50	26	.658	0
New York	39	37	.549	9
Philadelphia	37	39	.486	11
Florida	30	46	.395	18
Montreal	25	50	.333	24

CENTRAL DIVISION

Team	W	L	Pct.	GB
Houston	46	29	.613	0
Chicago	42	32	.568	4
St. Louis	38	36	.514	7
Milwaukee	37	36	.507	8
Pittsburgh	37	39	.486	9
Cincinnati	30	41	.424	17

WEST DIVISION

Team	W	L	Pct.	GB
San Diego	50	26	.658	0
San Francisco	45	32	.584	5
Los Angeles	36	39	.480	12
Colorado	32	45	.413	16
Arizona	26	50	.342	24

MONDAY LINESCORES

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Colorado	001	000	0.000	0
Milwaukee	000	000	0.000	0

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Kia, McCray (10) and Marwan, Woodell	000	000	0.000	0
Reynolds (10) and McCray (10) and Marwan, Woodell	000	000	0.000	0

INTERLEAGUE

Team	W	L	Pct.	GB
Montreal	000	000	0.000	0
Toronto	000	000	0.000	0

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

Team	W	L	Pct.	GB
New York	51	18	.739	0
Boston	42	29	.590	9
Baltimore	37	34	.520	14
Toronto	37	34	.520	14
Tampa Bay	31	40	.438	20

CENTRAL DIVISION

Team	W	L	Pct.	GB
Cleveland	42	31	.573	0
Minnesota	36	37	.486	6
Kansas City	31	42	.427	11
Chicago	30	44	.405	12
Detroit	25	49	.338	17

WEST DIVISION

Team	W	L	Pct.	GB
Anaheim	45	29	.608	0
Texas	42	32	.568	3
Oakland	33	41	.446	12
Seattle	31	43	.419	1

Italy and Chile Reign in Group B, Earning Berths in 2d Round

Austrians Lose, Despite Late Penalty Kick

By George Vecsey
Special to the Herald Tribune

SAINT-DENIS, France — Teams score goals, players don't score goals. This was the message Christian Vieri was putting out this week as all of Italy debated its team's next starting lineup.

Vieri, a bruising forward who now plays for Atletico Madrid, comes out of the first round with four goals, including

ITALY 2, AUSTRIA 1

the first one Tuesday, as Italy held off Austria, 2-1, to advance to the second round of the World Cup.

Roberto Baggio came off the bench late to tap in a goal and Andreas Herzog scored a penalty kick in injury time to give Austria a brief hope.

By finishing first in its group, Italy will play the second-place team from Group A in Marseille on Saturday.

The Italian team is so deep that debates about the lineup are inevitable.

On Tuesday, the Italian coach, Cesare Maldini, was able to use the lineup he had originally wanted — a tandem of Alessandro Del Piero, the nimble forward from Juventus of Turin, and Vieri, who formerly played for Juventus before opting for Spanish pesetas last season.

Del Piero has been recuperating from a thigh injury and was not able to start until Tuesday. Because he and Baggio are the same type of creative player, there was no room for Baggio in the starting lineup Tuesday.

Vieri now has four goals, tying him with Gabriel Batistuta of Argentina, who has played two games. Italy is rolling — but at a cost. Three minutes into the game, Italy lost its strong young defender, Alessandro Nesta, to a twisted right knee when he was fouled by Heimo Pfeifenberger. Nesta is expected to be out for the rest of the tournament.

When Nesta was removed, off the bench with no warmup came ancient Giuseppe Bergomi, 34 years old, known in Italy as Zio Beppe, Uncle Joey. Bergomi was on the 1982, 1986 and



Heimo Pfeifenberger of Austria, left, and Paolo Maldini of Italy going head-to-head in a Group B match Tuesday.

1990 World Cup teams but was dropped by 1994. He was called back to the squad after a seven-year absence, as Maldini opted to have a mature player holding up the end of the bench.

On Tuesday, Bergomi came off the bench to replace Nesta and played sweeper.

Meanwhile, Del Piero and Vieri tried to recreate the teamwork they had enjoyed on the Italian Under-21 team — then coached by Maldini — and also at Juventus.

"With Alessandro, I have good rapport, good intensity," Vieri had said. "I have never worked with Roberto before, but I regard them as two champions. For me, it changes nothing."

Del Piero and Vieri worked intricate little passes in open space, but they

could not produce a goal in the first half.

Four minutes into the second half, Del Piero took a free kick from the left side, 18 yards out. The ball hooked, and Vieri elevated himself above Tony Polster of Austria and headed the ball into the corner.

Having given Italy the lead, Vieri was taken out for Filippo Inzaghi in the 60th minute.

The Italians were then saved twice by their goalkeeper, Gianluca Pagliuca.

In the 63rd minute, Arnold Wetli fired from a melee in front of the goal and Pagliuca tipped the ball with the thick fingers of his right glove, sending the ball spinning into the air before he hauled it to his chest. Six minutes later, Mario Haas blasted a shot that Pagliuca

snagged with one hand.

At 72 minutes, with Del Piero winding down, the coach used Baggio as his third and final substitute, a somewhat strange move considering that Baggio is often removed late in the game when his team has a lead.

Maldini's confidence was rewarded when the new tandem of Baggio and Inzaghi set up several fast breaks. In the 89th minute, Inzaghi sent a crossing pass that Baggio converted, and then Baggio offered his slender back for a celebratory ride.

Austria scored — the third time it had scored in injury time in this World Cup — but Italy held on to avoid Brazil, which finished first in its group.

Or, as the captain, Paolo Maldini, put it: "I think Brazil is happy, too."

Cameroon, in a Rough Match, Draws 2 Red Cards and Trip Home

By Jere Longman
New York Times Service

NANTES, France — When Chile had survived a contentious 1-1 draw Tuesday with Cameroon and advanced to the second round of the World Cup, its players removed their jerseys and tossed them into the crowd, shedding their shirts and 36 years of unfulfillment and humiliation in soccer's world championship.

After a frustrating wait of nearly four decades, however, Chile's reward may be meager. Its next opponent, on Sat-

CHILE 1, CAMEROON 1

urday, happens to be Brazil — the defending champion and the same team that eliminated Chile when, as the host, it last went beyond the first round in the World Cup in 1962.

In fact, there were many jeering fans in La Beaujoire Stadium who believed Cameroon should have advanced, not Chile. It was a riveting, free-flowing match, and a decidedly rough one. It concluded with severe criticism by Claude Le Roy, the Cameroon coach, of the referee and the get-tough refereeing policy of Sepp Blatter, the president of FIFA, soccer's world governing body.

Two Cameroon players were ejected with red cards and the Indomitable Lions finished the match with only nine men on the field. But the play that enraged Le Roy occurred in the 59th minute with the score tied at 1-1. A blast by Francois Omani-Biyik ricocheted off the right post and skittered into the net, apparently giving Cameroon a 2-1 lead.

But the referee, Laszlo Vagner of Hungary, ruled that Cameroon forward Patrick Mboma had fouled Chile's Ronaldo Fuenfates as the two players challenged for a header. Mboma won the ball and put it at Omani-Biyik's feet. The foul ruling seemed harsh on what appeared to be a routine play. And the decision was hugely important because Cameroon needed a victory to advance, while Chile needed only a draw.

When the game ended, Le Roy stood dumbfounded, his hands on his hips. Another Cameroon official could not restrain himself and screamed and gestured at Vagner as he left the field.

"If this is what football is all about, I hope Mr. Blatter was watching," Le Roy said. "I cannot understand why the referee refused the goal. There wasn't a shadow of a foul."

He said his team was "shocked." "I'm sorry we were eliminated," he said, "especially on a decision that was an incompetent one."

Le Roy also rebuked Blatter for a call last week for more vigilant refereeing and for the issuance of red cards for every tackle from behind. The Cameroon coach said that while Blatter was an excellent administrator, he "should stick to administrative tasks."

"I did not commit a foul," Mboma said. "I can't believe it."

In the end, though, Cameroon's desperate assertiveness and mesmerizing creativity was undone by needless fouls. If the decision over Mboma's foul was questionable, others were not.

In the 20th minute, Cameroon's Rigobert Song tripped the Chilean forward Ivan Zamorano, drawing a stern warning from Vagner. Just 12 minutes earlier, Song had been issued a yellow card for another overly aggressive tackle. This time Chile was awarded a free kick, and midfielder Jose Sierra curved a wickedly perfect left-footer just under the crossbar and inside the right post from 25 yards.

In the 52d minute, Song was given a red card for raking Chilean forward Marcelo Salas across the face with an elbow as they chased a ball down the sideline.

Cameroon equalized three minutes later when Mboma headed a crossing pass from Omani-Biyik over the Chilean defender Pedro Reyes and Nelson Tapia in goal. But the Indomitable Lions could not keep their composure.

And in the 89th minute, the midfielder Lavrinio Etame ran Salas down from behind, drawing another red card. As it had in its two previous draws, Chile could not hold a lead. But it does advance for the first time since 1962.

"Advancing to the second round is enormously important to us," said Chile's coach, Nelson Acosta. "It was a complex, difficult game. When Cameroon played with 10, we were afraid things would turn against us as they did in the other matches."

WORLD CUP BRIEFS

English Fans' Toll

One English fan was stabbed and three others slightly injured in Toulouse on Monday when England played Romania.

An English reporter was attacked by English fans, who accused him of giving them a bad name. He suffered a broken collar bone. Twelve people were arrested. 11 of them French youths armed with baseball bats.

In Bedford, north of London, policemen made 24 arrests after breaking up fighting which flared in the High Street when drinkers who had been watching the match in pubs went out into the street. (APF)

Tunisia Dismisses Coach

Tunisia dismissed its coach, Henry Kasperczak, on Tuesday and appointed his assistant, Ali Selmi, to replace him for its final Group G game against Romania on Friday.

Kasperczak's team lost by 2-0 to England and by 1-0 to Colombia in its first two games and cannot qualify for the second round. (AFP)

'Helpful' Players at Risk

Referees have been urged to punish players asking for opponents to be shown a red or yellow card.

"It has been brought to the referees' attention that maybe they should take stricter action against something which is an act of dissent and bad sportsmanship — trying to get an opponent into trouble," said a FIFA spokesman. (Reuters)

Ambition Fired by the Old Guard, Yugoslavia Heads for the Top

International Herald Tribune

SAINT-GALMIER, France — If Americans wish to say *au revoir* to this World Cup standing proudly on their feet — and not prone in dejection like the inconsolable Cameroon players after their elimination Tuesday — it will take a display of real guts Thursday in Nantes.

For the United States is in the path of a Yugoslav squad fired by ambition not merely to qualify from Group F, but to win the group ahead of Germany.

Relaxed at their training base at Saint-Galmier near Saint-Etienne, striker Dejan Savicevic and midfielder Slavisa Jokanovic affirmed that they are ready in body and mind for the duel with America.

"We regret that we did not win the match against Germany," said Savicevic, reflecting on Yugoslavia's 2-0 draw after leading the Germans, 2-0. "In the last few days I personally have felt much better. I think the doctors will let me play now, and I hope to help score the goals so that we finish top of the group."

That sounded like positive thinking from a player, an exquisite finisher on his day, described last weekend as more

prone to injury in the head than the muscles.

The gibe, from Vujadin Boskov, the widely traveled coach who is the wise old owl in the Yugoslav camp, was a shot of motivation to a performer whose life veers between elusive creativity and the treatment couch.

If he makes the lineup, Savicevic may be prompted by Jokanovic, who said Tuesday: "If I could make predictions, I would play the sports lottery. But I really feel that we will beat the U.S.A. by more goals than Germany scores against Iran, because the U.S. does not have any chance of the second round."

Boskov, a half-century in this game, cautioned his young players, saying, "Soccer in the U.S.A. is still a very young sport — they run a lot, work a lot, but they still do not have outstanding individuals. We have that, we have the technique, but our players are all over the world. Only the goalkeeper, Ivica Kralj, is playing in Yugoslavia."

Boskov is not the coach to

Vantage Point / ROB HUGHES

Yugoslavia. He lends his enormous experience to Slobodan Santrac, who would be foolish to ignore Boskov who, in 29 years abroad, has dealt in many cultures and currencies. He exudes an enduring love of the game, and a grasp of its secrets stored up during his stints at Real Madrid, Sampdoria, Napoli, Roma, Zaragoza and Feyenoord.

It's good to travel, the old mentor says with a gleam in his gray eyes. But when Yugoslavia — in the group with the United States, Iran, Germany — is concentrated on a search for identity, it's even better coming "home."

In the countryside away from St. Etienne's industrial sprawl, Boskov and Miljan Miljanic, president of Yugoslavia's soccer federation and also a voyager around Europe's wealthier clubs, have stockpiled between them a century of football knowledge. They are paternal figures trying to reach the greatest sum of Yugoslavia's extraordinarily gifted parts.

If Americans had to face them man-

for-man, the contest would be embarrassing. Boskov, however, sees a danger: "The United States players never give up, even when they concede a goal. With this spirit, you have to stay concentrated. We must have more players like Zeljko Petrovic, who should be playing in the center of midfield, but for the good of the team accepted to play on the left side in the last two matches."

Petrovic, now 32, is symbolic of the Yugoslav "have boots, will travel" philosophy. He is under contract to the Urawa Reds in the Japanese League, but his home and his heart are in Den Bosch, in the Netherlands.

When the Japanese came for him last winter, Petrovic, in tears on television, repeated over and over: "I don't want to go. I don't want to leave. But I have a family, and this is perhaps the last chance to make the money for my family."

That family remains in the Netherlands where, this summer, Petrovic qualifies for citizenship. He would return tomorrow, or sooner, if PSV Eindhoven were to re-engage him or if any top Dutch team released him from his

miscasting a continent away. Therefore he, and undoubtedly Sinisa Mihajlovic, the Sampdoria defender, as well as Savicevic — who has spent the last few seasons underperforming with AC Milan — will play with added motivation against the United States: The World Cup is their shop window to sell their wares one more time.

Dejan Stankovic, 19, is such a promising talent that Lazio rushed in before the World Cup to buy him from Red Star Belgrade.

Predrag Mijatovic is the striker whose cunning movement and sniping instinct won the Champions Cup for Real Madrid against Juventus last month.

Individually, the Yugoslavs are back near the pinnacle of the game a little more than a year after the United Nations ban on their country was lifted.

For the second time in a week, the United States must forget the differences their political masters have with an opposing nation, and having lost, somewhat unhelpfully, to Iran, and before that to Germany, America now heads for a greater challenge.

HOOLIGANS: Violence by Germans, 'Invariably Stamped With Racism and Nazism,' Is Decried Back Home

Continued from Page 1

German soccer thugs had largely been ignored as the World Cup got under way and English hooligans seized the tabloid headlines with drunken riots in Marseille. Then came Sunday's game against Yugoslavia in Lens.

About 600 Germans regarded by the authorities as violence-prone had made their way to Lens by car and camper from many parts of Germany, according

to police accounts. Many had the shaved heads favored by extreme rightists. Some carried cellular phones, the German police said, suggesting they planned a coordinated action against the authorities.

Among them was Manfred Warnecke, the 27-year-old owner of a tattoo studio in Hannover, who French police have arrested as the prime suspect in the beating of Daniel Nivet, a 44-year-old officer who was felled with an iron sign-post.

[Nivet was still in a coma Tuesday, Agence France-Presse reported. Doctors said he had suffered permanent brain damage. Warnecke and a second German, Karl-Heinz Eischner, 26, were to be charged with attempted murder.]

[Eischner was one of seven Germans about to be deported when he was identified by a witness to the attack. The other six Germans have been expelled.]

In Nantes, where Chile and Cameroon were playing Tuesday, French police arrested two Germans armed with a baseball bat and wearing neo-

Nazi insignias. They were detained near the stadium.

According to German police, Warnecke was already known as a violence-prone person, a member of a motorcycle gang called "Bones" and a purveyor of the regalia sought out by soccer thugs — tee-shirts emblazoned with snarling pit-bull heads and black jackets stenciled with the word "Terror." As Warnecke sat in a French jail on Monday night, someone went to his tattoo studio and threw a rock through the window.

By the time the fighting in Lens was over, 93 Germans and three French citizens had been detained. But then the questioning began: How could it have happened? One answer, an embarrassing one for proponents of closer European unity, was European unity itself.

In recent years, some European countries have simply dismantled the borders between their nations so that no passports were needed to travel between them. That made it easier for busloads of hooligans to enter France from Germany,

despite German police attempts to spot-check vehicles along the route. Another scapegoat was the ticketing system used for the tournament. Ordinary people are being driven out of the stadium by the distribution of tickets to VIPs and sponsors, said Gunter Pitz, a sociologist in Hamburg. "So the problem of violence is moved out of the stadium," he said, "and that gives the perpetrators a greater room for maneuver."

In Germany, some blamed the German police for failing to keep track of known hooligans. But, said Interior Minister Manfred Kanther, "the security at the scene cannot be provided from a neighboring country."

"It is completely impossible to have German police operating in France," he said.

The hard fact is that there was "no concrete warning" that the thugs were on the way, he said.

"You can't simply pick up people with shaven heads and order them into prison for the next four or 12 days,"

Most of all, though, it came down to the murky souls of the hooligans themselves, drawing satisfaction from violence and publicity that would otherwise be denied them.

"They are to a large extent mentally weak, both intellectually and emotionally," said Alexis Philonenko, a French college professor, in a newspaper interview. "This punkism is in fact a sickness."

Indeed, said Rudiger Bredthauer, a Hamburg-based police official specializing in the behavior of militant groups. The events in Lens, he said, "went well from the hooligans' point of view, because everybody is reporting about it. That makes the hooligan-soul happy."

Pitz, the sociologist, said the thugs in Lens were not simply soccer hooligans. "Rather," he said, they "belong to a third group that has been worrying us more and more for the past two or three years: right-wing radicals. For them, the media event of the World Cup offers an ideal stage."

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EUROSPORT

WORLD CUP

Late Goals Give Norway Victory Over Brazil and Knock Out Morocco

Controversial Penalty Kick Decides Group

MARSEILLE—Norway scored two goals in the last seven minutes, the second from a penalty kick with two minutes left, to upset Brazil, 2-1, and sneak into the second round of the World Cup.

For an hour and a quarter Norway and Brazil played a scoreless draw. But with Morocco heading for a comfortable victory over Scotland in Saint

NORWAY 2, BRAZIL 1

Etienne, a draw was not a good enough result for Norway. It needed victory and began to press more and more frantically in pursuit of a goal.

Instead, Brazil took the lead after 78 minutes. Denilson escaped on the left wing and crossed to the far post where Bebe, utterly unmarked, headed the ball past Frode Grodas, the Norwegian goalkeeper.

Tore Andre Flo equalized in the 83rd minute with a typical bustling goal.

Then, in the 89th minute Esfandiari Bahamast, the American referee, awarded Norway a penalty when Flo fell after contesting a header with Junior Baiano.

Baiano appeared to have pulled Flo down, but television replays suggested that all he did was step out of the way when Flo tried to back into him.

Kjetil Rekdal took the penalty, knowing he had to score to put Norway in the second round. He hammered the shot just inside Taffarel's right hand post and just beyond the Brazilian goalkeeper's despairing reach.

There was still time for Brazil to win a free kick 40 yards from the Norwegian



The Brazilian striker Ronaldo, center, battling a group of Norwegian players in their Group A match Tuesday.

goal. Roberto Carlos swerved the ball round the Norwegian wall, but Grodas saved just inside the post.

Brazil, already through to the last 16 after winning its first two games, lacked the sparkle the 60,000 fans in the Velodrome stadium had expected from the reigning champions and tournament favorites.

They were assailed by a barrage of whistles at several points in the match as they sauntered through the game, passing the ball among themselves with

Norway unable to seize the initiative. Rivaldo came close 10 minutes into the second half after Roberto Carlos made a fine run down the left flank and floated in a cross that the Barcelona midfielder met with a header that bounced down off the turf and over the crossbar.

Norway, which drew both its previous matches, against Morocco and Scotland, packed its midfield to try to stifle the Brazilians and began to pose a threat on the counterattack as the first

half wore on.

But in the second half, needing a goal, Egil Olsen, the Norwegian coach, took off Havard Flo, a midfielder player, and brought on Ole Gunnar Solkskjær, a striker, in the 68th minute.

Within a minute, Tore Andre Flo crossed neatly onto Solkskjær's forehead but the diminutive striker nodded the ball over the goal.

Flo himself came closer with a fine header in the 73rd minute but the ball flew just wide. (AP, Reuters)

Morocco Beats Scotland, 3-0, But Still Falls Short of Round 2

SAINT-ETIENNE, France — Morocco did everything it could do, beating Scotland, 3-0, in its final game in Group A. But Norway's victory over Brazil in Marseille left the Moroccans third in the group, not good enough for a ticket to the second round.

Salaheddine Bassir and Abdeljilil Hadda punished the sleeping Scottish defense with strikes in the 22d and

MOROCCO 3, SCOTLAND 0

47th minutes, and Bassir added a third five minutes from the end.

It looked to be enough to put the Moroccans into the second round for the second time in their history until Norway scored a come-from-behind 2-1 victory over the defending champion, Brazil, in Marseille.

Brazil won the group ahead of Norway. Scotland, which has never made the second round, was fourth.

Scotland came close to scoring in the 14th minute when the midfielder John Collins floated a free kick toward Gordon Durie, who beat the advancing goalkeeper, Driss Benzekri, and a defender. But his header was wide.

It was the only real chance of the first 15 minutes, but Morocco then put together a simple move to take the lead in the 22d.

Tahar El-Khalej aimed a high ball over the top of the slow-moving Scottish defense, and Bassir dashed clear of Colin Hendry to fire a powerful, angled left-footed shot between the goalkeeper, Jim Leighton, and his near post.

A minute later the Scots appealed for a penalty when Lahcen Abrami appeared to block a cross from Jackie McNamara with his left arm. But it was ruled no foul by the referee.

On the half hour, Durie tried the long-range approach, firing a 30-meter drive that flashed past the post with Benzekri diving acrobatically across goal.

Benzekri made his first save in the 31st minute, moving to his right to bold a well-struck, close-range shot from Kevin Gallacher.

In the 32d minute, the Moroccan keeper lost the ball in a scramble in front of his goal and El Khalej did well to clear the danger with Gallacher about to prod the ball into an empty net.

Six minutes before halftime, Craig Burley, who scored Scotland's equalizer in the 1-1 tie with Norway, got into a similar position but his shot was blocked by the goalkeeper. Two minutes into the second half the Moroccans struck again with another breakaway goal.

El Moustafa Hadji fired another long pass from deep and Hadda outpaced the Scottish defender David Weir in a dash down the left. Hadda got in front of Weir and tried an audacious, lobbed shot. Leighton got his fingertips to the ball but turned to watch it bounce behind him into an empty net.

It was even worse for Scotland seven minutes later when Burley was shown the red card for a tackle from behind on Bassir in the center circle.

Though hugely outnumbered by the Scots in the Geoffroy-Guichard stadium, the noisy Moroccans began chanting "Brazil, Brazil!" to compare their team with the mighty four-time titlist.

With the one-man advantage and a two-goal lead, the Moroccans cleverly kept possession and allowed the Scots few chances. The Moroccans added a third five minutes from the end when Hadda flicked a pass to Bassir, who lobbed the ball over Weir and fired home from 12 meters.

WORLD CUP SCOREBOARD

FIRST ROUND

GROUP A

	W	T	L	GF	GA	Pts
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Norway	2	0	0	6	3	6
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Paraguay	2	0	0	4	2	6
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Morocco	3	1	1	5	3	4
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Scotland	0	1	2	2	6	1
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Brazil	2	0	0	5	2	6
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Morocco 3, Scotland 0						
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Norway 2, Norway 1						
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Brazil 3, Morocco 0						
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Norway 2, Brazil 1						
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Norway — Tore Andre Flo 83, Kjetil Rekdal 89						
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Brazil — Bebe 78, Roberto Carlos 89						
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Morocco 3, Scotland 0						
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Morocco — Salaheddine Bassir 22, 84, Abdeljilil Hadda 47						
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Italy 2, Austria 1						
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Italy — Christian Vieri 49, Roberto Baggio 90						
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Austria — Andreas Hrebenek 91 pen.						
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Cameroon 1, Chile 1						
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Chile — Jose Sisto 21						
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Cameroon — Patrick Mboma 56						
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France 2, Denmark 0						
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France — Thierry Henry 27, Zinedine Zidane 61						
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Denmark 1, Saudi Arabia 0						
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Denmark 1, Saudi Arabia 0						
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France 4, Saudi Arabia 0						
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France — Zinedine Zidane 21, 45, 61, 77						
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France vs. Denmark						
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South Africa vs. Saudi Arabia						
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GROUP B

	W	T	L	GF	GA	Pts
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Nigeria	2	0	0	4	2	6
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Spain	2	0	0	4	2	6
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Bulgaria	0	1	1	2	3	1
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Bulgaria 0, Paraguay 0						
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Nigeria 2, Spain 2						
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Nigeria 1, Bulgaria 0						
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Paraguay 0, Spain 0						
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Spain vs. Bulgaria						
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Nigeria vs. Paraguay						
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Netherlands 1, Mexico 0						
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Mexico 2, South Korea 0						
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Belgium 1, Netherlands 0						
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Belgium 2, Mexico 2						
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Netherlands 5, South Korea 0						
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Belgium vs. South Korea						
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Belgium vs. Mexico						
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Netherlands vs. Mexico						
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Germany 1, Yugoslavia 0						
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Yugoslavia 1, United States 0						
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United States 1, Iran 0						
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Germany vs. Iran						
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United States vs. Yugoslavia						
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Y-Romania 2, 0						
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England 1, 0						
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Colombia 1, 0						
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Tunisia 0, 0						
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England 2, Tunisia 0						
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GROUP C

	W	T	L	GF	GA	Pts
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Argentina 1, 0						
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Y-Croatia 2, 0						
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Japan 0, 0						
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Argentina 1, 0						
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Y-Croatia 1, 0						
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OBSERVER

No 'Dracula'? Bah!

By Russell Baker

NEW YORK — To whip up some chatter about movies, the American Film Institute polled 1,500 "prominent" Americans to select the 100 best American films of all time, and the results are in. So let's chatter.

Will no one save us from "It's a Wonderful Life"? Not those prominent Americans. This sentimental turkey stuff, served up every December with all the rest of Christmas's inescapable fixin's, finished at No. 11. It first appeared in 1946 when a generation hardened to reality by the Depression and war let it pass without saluting. They knew from bitter experience that the whole town never turns up to slaughter its George Baileys in money and love.

The movie caught on only later, in the TV age when the country was far enough removed from hard times to put up with such bökum about human nature. Now here it is: officially certified by the American Film Institute as the 11th-best movie of all time.

And where is "Dracula"? At No. 87 we find the Boris Karloff "Frankenstein" (burrry!), but "Dracula" is missing. Instead, at No. 88 we find "Easy Rider." Couple of guys on dope go around on motorcycles. It supposedly spoke eloquently to alienated youth of the '60s, but so did "The Graduate," which makes the list as No. 7. How much eloquent speech does alienated youth deserve now that it has moved on to disillusioned middle age?

No "Dracula"! How can we take this list seriously? Especially when there is no Edward G. Robinson either. We

get two "Godfathers," but no gangsters at all from the Warner Brothers mob, which included Robinson, James Cagney and Humphrey Bogart. The incomparable Cagney barely makes the list with "Yankee Doodle Dandy," which squeaks in as No. 100. From "Little Caesar" to "Key Largo," there is enough great gunfire from Robinson to justify consolidating the two "Godfathers" into a single entry, thus making room for a figure far more vital to American culture than Wolfgang Amadeus Mozart.

But if the voters were trying to prove that Hollywood can do classical stuff as niftily as it does oaters and capers, it should have passed up "Amadeus" (No. 53) in favor of Max Reinhardt's 1935 version of "A Midsummer Night's Dream," starring such unlikely and excellent Shakespeareans as Cagney and Mickey Rooney.

And that "Gunga Din" failed to make the top 100 speaks poorly about these "prominent" Americans. The greatest boys' adventure movies of all time are obviously unknown to them: They also ignore "The Man Who Would Be King" and the unsurpassable "Prisoner of Zenda," that starred Ronald Colman, Madeleine Carroll, Raymond Massey and Douglas Fairbanks Jr. Nor do they list a single one of Sean Connery's James Bond films.

Meanwhile, the greatest Hollywood treatment ever of Victorian fiction is ignored. It is David O. Selznick's "A Tale of Two Cities," with Colman mounting the guillotine and Blanche Yurka knitting as heads roll. As good as Dickens, and only half as long.

New York Times Service

Brian Wilson Emerges From a Prison of the Mind

By Neil Strauss
New York Times Service

ST. CHARLES, Illinois — What street do you live on in West Hollywood? Brian Wilson asks. I tell him.

"I'll be damned. I used to live on that same street," he says excitedly, referring to a period more than 30 years ago. "In an apartment? What's your address?" I tell him.

"Oh, I was at 1047 North, Near, not Clinton, Santa Monica."

His wife of three years, Melinda, says: "See, people never think he remembers his past. We've had so many lawsuits, and these attorneys come in thinking he probably won't remember anything, and he just blows them away."

Brian Wilson is back. That is, he's back again. Brian Wilson has been back a lot over the last two decades, and every time, it is hailed as a return to form after years of mental instability.

There is a myth engulfing Wilson, and it is something he will have to deal with in marketing campaigns for the rest of his life. Myths aren't necessarily fabricated stories; they're just extraordinary tales representative of larger societal themes and trends. Wilson's is a tale of a genius gone mad, locked inside the prison of his own mind. It begins in an age of many myths — the '60s — and it goes something like this:

One sunny day in California, Wilson, his brothers and some friends decided to make sunny California pop about surfing, cars and girls. But Brian Wilson wasn't happy just making pop about surfing, cars and girls.

He wanted more, and eventually he found it, making a pop masterpiece, "Pet Sounds," and leaving unfinished an even more ambitious one, a pop-music equivalent of Mozart's Requiem called "Smile." During this musically heroic journey, he suffered a nervous breakdown and soon retired to his bed, where he spent years in isolation. And that's where

our story begins: In 1976, Wilson was back with a new Beach Boys album; then he was back in 1983 as a touring member of the Beach Boys, and then he was back in 1988 with a solo album produced with his then therapist Eugene Landy. And throughout the '90s he has been back with increasing frequency.

In the last three years, he has recorded new versions of his old songs for a Don Was documentary about him, "I Just Wasn't Made for These Times"; reunited with Carole and Wendy, his estranged daughters from a previous marriage, to help with their album "The Wilsons"; teamed up with his "Smile" songwriting partner, Van Dyke Parks for the record "Orange Crate Art," and last week released the latest and best of these albums, "Imagination," with the producer Joe Thomas.

Every time Wilson returns, he is heralded by a new Brian-is-back marketing campaign and propped up by a collaborator who may or may not have his best interests at heart. He is currently, for example, settling a lawsuit with Landy for the return of his songwriting royalties.

In the rare glimpses the public gets of him every time he returns, Wilson looks and sounds better. In the 1994 documentary "There- min," Wilson spends several minutes trying to stammer a single phrase. A year later, in the Don Was documentary, he is more communicative but still clearly struggling.

"I thought once in a while my face had a twist of emotional pain coming out of it, but not too obvious," Wilson jokes about the documentary now.

Today, thanks to a new doctor, new medication and a new family, Wilson seems like a gentle 55-year-old, more innocent than disturbed. In conversation, sitting in shorts and a T-shirt in his new home studio in St. Charles, a Chicago suburb (his main residence, of course, being in California), he comes in and out of focus.

When he is engaged, he is per-



Brian Wilson: "I went through a bad, bad, bad childhood."

ceptive, sincere and very funny. When he isn't engaged, he's quiet, absent-minded and dreamy. At one point, he stops midthought and asks that his comment be stricken from the record because he forgot he was being interviewed.

Considering the losses Wilson has suffered lately, his improvement is remarkable. "Brian and I, we had a tough year last year," his wife said. "In four months, I lost my dad and he lost his mother and his brother." Since the death of Wilson's brother Carl (who died of cancer this year), Wilson is now without parents and the brothers he formed the band with.

Many fans have attributed Wilson's breakdowns, nervousness and reclusiveness to his drug use in the mid-'60s, but Wilson and his wife both said that they felt the problems were more deeply rooted.

Speaking about his father, who was also his manager, he said: "He fouled my brain up. I went out in

life scared as hell. Everybody that I looked at was my dad looking back at me. He beat me up, you know. It was as traumatic as hell. I really went through a bad, bad, bad childhood."

Wilson's family today works as a better support system. He met Melinda, a former used-car saleswoman, at an event she describes as choreographed by Landy. He took Wilson to buy what Melinda Wilson recalls as "an ugly brown car," and then Landy asked her out on a date with Wilson. The meeting turned out better than expected; the two married and now live with two adopted daughters.

"Brian's improvement today compared to when I met him four years ago has doubled," said his producer, Thomas, who lives next door to the Wilsons in St. Charles. "He's more at peace with himself, he's way more focused than he was early on, and building a good relationship with Melinda and the

kids has really allowed him to concentrate on being a whole person rather than just this genius locked-away musician guy. The fact that he got on stage after so long was in itself an achievement."

Last month at the Cultural Arts Center in St. Charles, Wilson performed what was promoted as his first solo concert. More a taping for VH1 than a concert, Wilson harmonized with backup recordings on new solo songs and Beach Boys classics and sat in front of a fake piano, pretending to play as a string section and as many as nine other musicians (including his Beach Boys replacement, Bruce Johnston) accompanied him.

At first, Wilson was silent and nervous. But several songs into the show, Thomas whispered something in his ear and Wilson came to life, talking with the crowd and singing less reticently.

"I said to him, 'They really like you, you know,'" Thomas recalled. "And he goes, 'You know, Joe, they really do.' I said, 'So what are you scared of?' And he goes, 'Nothing.'"

Wilson's new album, "Imagination" (Giant), is being marketed as a "rebirth" of the "Pet Sounds" era. It is not the first time, nor will it be the last, that such a claim is made for Wilson's later work. It is the logical next stage in the myth of Brian Wilson: the hero's return.

"I expect it to be a huge commercial success both here and abroad," said Irving Azoff, who runs Giant Rec. "I think it's deserving as a candidate to be the best comeback ever in the music business. And I'm going to do everything I can with this company to make sure it happens."

Of course, "Imagination" is no "Pet Sounds." Even Wilson knows that.

"I could never do another 'Pet Sounds,'" he said. "But the love I put into it. I used that same love and put it into my album now. It came right out of my heart. This new one, I hope they like it better than 'Pet Sounds' even."

PEOPLE

THE latest Tom Clancy novel — describing how the United States saves Spain from a new civil war — has drawn fire from Spanish critics who blasted it as "typical American ignorance," among other things. In "Balance of Power," published last month, Spain splits into five warring regions and Mafia-like racketeers profit from the chaos and violence. Readers on the Internet-based electronic bookshop Amazon were not kind. "Unadulterated racism," commented one. "Incredible nonsense," said another. "Pure Rambo style" opined a third in sarcastic reference to the book's ending, where the United States intervenes to save Spain from itself. Clancy's publisher, Plana, which is due to bring the book out in Spanish in December, is, however, clearly pleased with the publicity the uproar has brought them.

The former child star Rick Schroder is reporting for duty at "NYPD Blue." Schroder, 28, will replace Jimmy Smits, who has announced that he is leaving the show after four years. Smits will appear in an undetermined number of episodes this fall while his character, Bobby Simone, is written out of the show. Schroder has appeared in the television series "Silver Spoons," such movies as "The Champ" and "Crimson Tide" and the television miniseries "Lonesome Dove."

Tens of thousands of flowers decorated a New York City church Monday night as friends and family of Linda Mc-

Cartney gathered for a memorial to the animal rights activist, photographer and wife of Sir Paul McCartney. A similar service was held two weeks ago in London, but the family held the New York memorial in part because Linda was born in the suburb of Seaside. About 300 fans stood outside the church watching guests arriving, including the singer Neil Young, the movie director Mike Nichols and the designer Ralph Lauren. McCartney died of breast cancer in April at 56.

The Swiss chateau of the choreographer Maurice Bejart was damaged in a night-time fire, but its occupants escaped

Picasso Museum Opens in Spain

Agence France-Press

MALAGA, Spain — King Juan Carlos of Spain has inaugurated a museum dedicated to Pablo Picasso in the house where the artist was born in the southern town of Malaga.

The museum will soon open its doors with three exhibitions of the Spanish artist's work — engravings, ceramics and paintings based on the work of the author Luis de Gongora. A total of 250 million pesetas (\$1.6 million) has been spent converting the five-story house, where Picasso was born in 1881, into a museum. Picasso died in 1973.

unharmful. The 71-year-old choreographer, whose modern dance troupe, Bejart Ballet Lausanne, has just finished a show in Lausanne, was not at home when his chateau in Veytaux, above the resort of Montreux on Lake Geneva, caught fire. The wooden roof and upper floor were destroyed by the fire, believed to be of accidental origin, the police said.

Jack Nicholson flew into Cuba for a visit at the invitation of the island's state-run film institute. Nicholson was met at Havana's international airport by Alfredo Guevara, head of the Cuban Film Art and Industry Institute. Nicholson, who is a lover of Cuban cigars, was also expected to visit the Partagas tobacco factory in Havana, sources said. A ban on spending money in Cuba, included in Washington's economic embargo on the island, effectively prohibits U.S. citizens from traveling here. But another U.S. actor, Matt Dillon, came to Cuba in February for the launching of a new cigar brand, apparently without repercussions. Dillon said then that he was "fully hosted" in Cuba and not spending money there.

Claus Peter Flor has been named principal guest conductor of the Dallas Symphony Orchestra, beginning with the 1999-2000 season, when it will celebrate its centennial. Flor, born in Leipzig, Germany, in 1953, becomes the orchestra's third principal guest conductor, following Guenther Herbig, 1979 to 1981, and Pinchas Zukerman, 1993 to 1995.



Admirers of Linda McCartney outside the service.

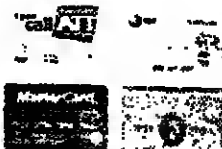


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